Fires Help Hitler p. 12-13

THE FINANCIAL POST

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Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 4, 1941 | 10c a Copy; $5.00 a Year | No. 40

The Nation's Business

Making the Best Use of Manpower

Canada is getting very close to full employment of the manpower resources of the country. We are going to find it increasingly difficult to find men for the fighting services, and men and women to handle the expanding load of war production.

We shall need at least another half a million men in the army, navy and air force. There are hints that our war plans call for increases beyond that figure.

We may need to add close to another half million workers to the payrolls of war industries before we have finally satisfied the demand for guns, planes, tanks, food and other supplies needed for victory. The $2 billions of war orders already placed are by no means our full programme

There are not a million people—nor a half or a quarter of that number—idle in Canada today. We are going to be able to get the additional fighters and war-workers only by doing further studied violence to our civilian way of life.

How to shift manpower—and womanpower—from peace to war jobs is in reality the core of all the problems with which the chiefs of the fighting services, the Minister of Finance, the Minister of Labor and the heads of war supply are wrestling today. They may speak of machine tools, factories, metals and dollars. But in the end all these things come down to the common denominator of men and women.

* * *

An intelligent approach to the problem of manpower presupposes certain steps by Ottawa.

First, we must have a survey of our manpower needs. Ottawa must determine how many soldiers we ultimately hope to keep in the field; how many seamen afloat, and how many aviators in the air. We must have, too, a broad conception of the ultimate size and scope of our war supply programme. We should know the number of workers in essential industry today, the approximate number that will be needed when our programme reaches maximum proportions a few months hence.

There is little indication that Ottawa has a definite war "programme" embracing consideration of all these factors. Drafting up of such a master plan for our war effort would be much easier if we had an Inner War Cabinet, with time and ability to make such studies.

* * *

Along with a programme we have to have a clear picture of the manpower resources available. National Registration failed to give us that because the survey was conducted hurriedly and almost without purpose. There is not a person at Ottawa today who could tell us how many people are today engaged in essential industries; how many more could be found for an increase in war supply without the creation of an entirely new way of life in Canada, or how many we could divert to war if we were willing to order our life as the people of a besieged city would do.

There is no one at Ottawa who can—on the basis of existing information—do more than roughly estimate the number of men we could put into the fighting services while at the same time doing our equally important job of furnishing the "tools."

There are committees at Ottawa charged with surveying manpower needs and resources. But the various officials and groups charged with some segment of responsibility for the job are not integrating their efforts. This is a situation calling for some coordinating work by the man at the top—the Prime Minister.

We need an immediate survey of manpower needs and resources based upon existing data in the registration, unemployment insurance, census and other files and supplemented by additional facts to be obtained perhaps by a further national registration.

Given a statement of needs and a statement of resources, machinery will be needed to get people into the jobs they must do in a nation at war. Much of the machinery exists in blueprint, and some of it exists in fact (although not being fully used) and more will have to be provided.

* * *

As we proceed along the lines of a more effective concentration of manpower where it is most needed we shall most certainly have to add more weapons to the armory of governmental powers, freely and effectively used:

One is a system for rating various industries and lines of activity according to their urgency in wartime. We already have applied "priorities" in the use of metals, oil, machinery and other resources. Germany, Russia and Britain have gone further. They exercise the right to divert workers, where necessary. Actually the diversion is best when it results naturally from taxation, machinery and raw materials controls. But the government must have direct power to "assess" purely civilian industries for men and women to put into war plants. It may become necessary to move key workers from one industry to another, even to move groups from one part of the country to areas where there is a shortage of skilled labor.

Along with the power to utilize manpower according to the degree of urgency of various war needs, the government will, in due course, have to be willing to face up to the necessity of deciding that certain men are more important in the fighting services than at a lathe, behind a counter or at an office desk. Up to the present that responsibility has rested largely with the men themselves or in some cases with their employers.

* * *

The commonly accepted term for the planned use of manpower in a nation at war is conscription, a word that has come to have a connotation unpleasant to some ears.

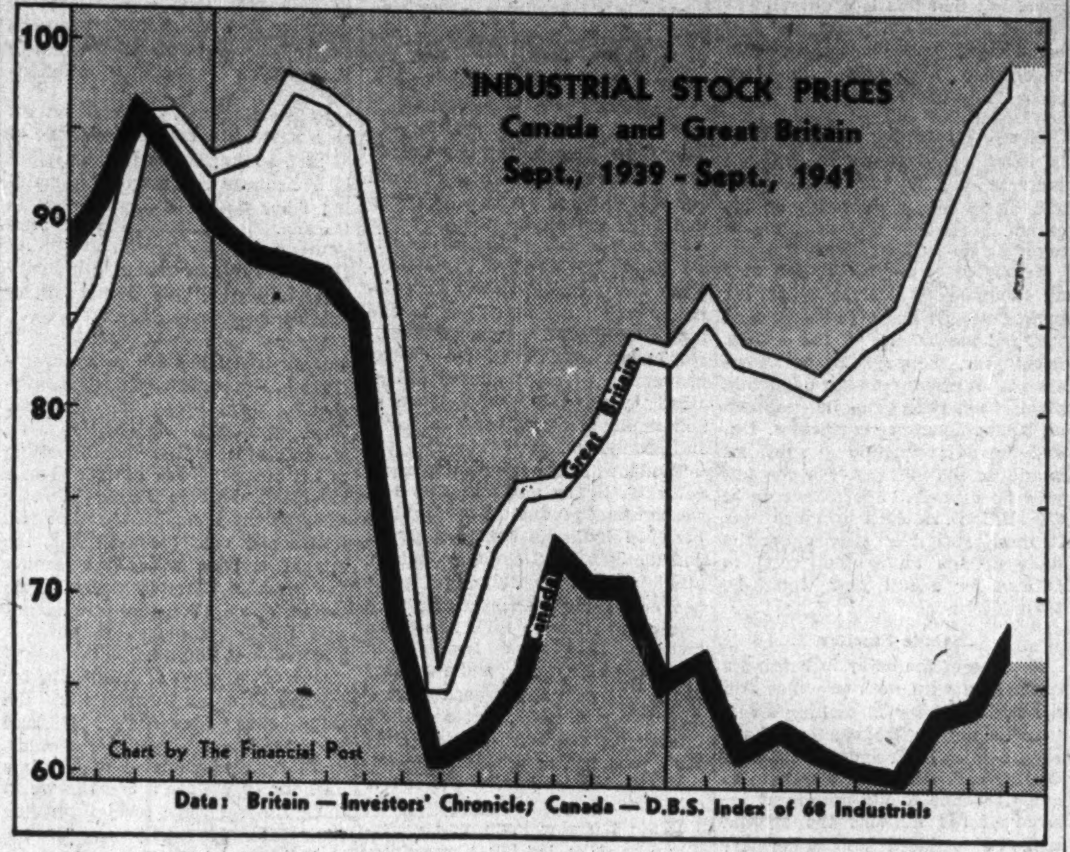
There is no reason for the word conscription to frighten anyone half as much as the alternative, which is the grave risk of losing the war.

We already have conscription of industry on a large scale. We have conscription of materials. We have conscription of capital to a degree little realized. When the government makes clear that we need more thorough mobilization of the greatest war resources of all—the services of men and women—in order to avoid wasteful use of national energies, the people of Canada will gladly accept it, whether on the industrial or the fighting front.

Beverley Baxter, in his public discussions of conscription, did a useful public service by telling just how conscription has worked in Britain. It has been a great influence in promoting a democratic spirit in the war effort, he has told us, has put the Duke's son and the butcher's boy on exactly the same footing. It has stimulated the national morale and brought home to the people the necessity for an unlimited effort to win.

We should not think of conscription in Canada as merely a device for arbitrarily selecting a few men to go into military service. We should think of it as a system for ensuring that all the basic elements of victory—men, money, materials and machines—are used with the efficiency, direction and control that our perilous situation demands.

Spread Widens Between British and Canadian Stock Markets



In Great Britain industrial shares are at or near the highest levels reached since the war started. In Canada, on the other hand, industrial stock prices are about 30 points below their wartime high. Moreover, the spread has been widening rapidly throughout the past year.

Interestingly enough, the signs of strength in U. K. stock prices became evident almost immediately following the defeat of Germany in the Battle of Britain in September last year and have continued ever since. At that time only three points separated the two indexes but now the Canadian index is 5.3 points lower than it was a year ago and the U. K. index is 22 points higher.

In the past London has often pointed the way for stock markets in Canada and the United States. Not for long has it been true that these two markets went divergent ways without either London deciding it was wrong or Canada starting in the same direction.

Score of Nuisance Taxes to Go In New Deal With Provinces

By STAFF WRITER

OTTAWA.—Tax collectors whose combined receipts run to nearly two billion dollars annually have been meeting here to consummate the most important deal ever transacted in Canadian public finance.

The "deal" is a proposal that all Canadian provinces (and their municipalities) retire completely from the field of personal and corporation taxation for the duration of the war and one year thereafter. Revenue from these taxes amounted last year to $75 millions.

In return, the federal government agrees to pay the provinces:

(a) The revenues which the province and its municipalities actually obtained from these sources in the fiscal year ending nearest to Dec. 31, 1940.

Or, the cost of net debt service actually paid by the province in its 1940 fiscal year, less revenue from succession duties during that period.

(b) To augment these payments by fiscal-need subsidies where necessary and to discontinue present special grants voted annually by parliament.

(c) To guarantee each province an amount equivalent to revenues received from gasoline taxes in the 1940 fiscal year ($53 millions).

B. C. Not Represented

Invitation to attend the meeting came from Hon. J. L. Ilsley, Minister of Finance. It has been answered by key officials and leaders from eight provinces. British Columbia was not represented. That province will negotiate in three weeks time after the provincial election.

Each province has been given a draft of the uniform agreement which Ottawa has drawn up. The agreement aims to meet individual requirements yet maintain similarity of treatment as between individual provinces.

No final deal has yet been made with any province nor will it be made until each province has been handed its draft agreement and has digested the proposals.

Highlights of the Ottawa discussions may be summarized as follows:

Nova Scotia, New Brunswick, Saskatchewan and Alberta find it more profitable to be recompensed for loss of personal and corporation taxes by having Ottawa assume their net debt service (less succession duties). This is the second option in item (a), above.

Quebec, Ontario, Manitoba and British Columbia have asked to have the Dominion reimburse them (and their municipalities) by the amount of their net revenues from personal

(Continued on page 2, col. 2)

Decisive New Wage Control Being Polished by Ottawa

New Setup Coming Shortly in Government's Drive to Keep the Brakes on Inflation — Allege Too Many Exceptions Under Present Regulation

By STAFF WRITER

OTTAWA.—New and far-reaching wartime wages policy will shortly be announced.

Under the proposed plan, a Wartime Wages Control Board will be set up with complete authority over all wages in both war and non-war industry.

The Board will parallel the present organization for the control of prices under the chairmanship of Hector B. McKinnon.

The Prices Board has the widest possible powers for control of all commodity prices. It reports to cabinet through Hon. J. L. Ilsley, Minister of Finance.

The new Wages Board will report to Cabinet through the Minister of Labor.

Enter the Provincial Field

The Board will have control over wage areas now considered provincial jurisdiction. It will be the ultimate authority for every wage agreement whether arranged through existing provincial bureaus or directly by federal departments.

As in the case of the Prices Board, provincial labor departments and wage bodies will be encouraged to operate and function, but their work will henceforth be under the supervision of the new federal body.

Regional boards with authority to adjudicate employee-employer relations will be set up throughout the country.

Admission of Ineffectiveness

Creation of such a board is tacit admission by the government that its much-publicized wages policy as enunciated in P.C. 7440 and subsequently amended has to be made more fully effective.

That policy was formulated originally in Dec., 1940, as an "instruction" to Boards of Conciliation. Some teeth were added in July of this year and the cost-of-living wage bonus made virtually obligatory on all wartime industry.

Weakness of the plan was that it exercised no authority over non-war industry, except where there was voluntary co-operation of employers and support of provincial governments. And it failed to "freeze" basic wage rates completely even in war industry.

Vital to Brakes on Inflation

Test of the efficacy of the new board will probably be the extent and the nature of its powers to put a ceiling on all wages throughout Canada. Such a step is deemed essential by many observers if the government's policy of preventing inflation (as enunciated very emphatically by Hon. J. L. Ilsley a few days ago) is going to be made effective.

As reported in The Financial Post last week plans are now under discussion by the Wartime Prices Board which would freeze the prices of all commodities such as clothing, foods, etc., manufactured, distributed or sold through stores which are shortly to be licensed, under the new powers recently given that board.

Undoubtedly the new wages board will be given equally mandatory powers in its own field. Whether or not these will be exercised immediately remains to be seen.

There is no clear evidence as yet that the federal cabinet has given the "green" light to control authorities in such a way as to permit complete freezing of wages and prices, including those of farm products, across the board for the duration.

Another important power which will be given the board will be the

(Continued on page 2, col. 7)

Fervor Cools For Seaway Scheme

Seaway Issue Dawdling – Some Now Press it as Postwar Proposition

From Our Own Correspondent

MONTREAL.—Official Canada has adopted a highly nonchalant attitude toward the St. Lawrence Waterway scheme.

Time was (just a few months ago) when officials in the East Block burned midnight oil getting t's crossed and i's dotted in an urgent flurry of preparation.

At first the bill was to have been all approved by the end of April. Then the deal edged over to May 15. Then it moved toward July 1. Mr. King indicated that he might bring Parliament back if the waterways bill came up for ratification during the summer adjournment.

Today the project is still just drifting, waiting for its next visit to the House of Representatives as part of the omnibus Rivers and Harbors item.

It is reported running foul of a rising revolt on the part of U. S. taxpayers at the widespread new imposts which are now law. It has yet to be given a priority rating as an urgent defense project by the all-powerful S. P. A. B.

One new angle that is developing in current Washington discussion is the idea that the project stands a better chance of approval if it is dropped as a defense measure and put forward as a major postwar undertaking.

Dosco Curtails Ore Operations

From Our Own Correspondent

MONTREAL. — Operations at the Bell Island iron ore mines of Dominion Steel & Goal Corp. have been curtailed owing to a shortage of labor.

The night shift in No. 2 mine has been discontinued and work has been suspended in the top section of No. 6 mine on day shift and also a section of No. 4 mine.

A large number of men have left the island in recent months to find work on full time at other places.

See Chance Beauharnois Deal May Not Pass

From Our Own Correspondent

MONTREAL.—Expropriation of Beauharnois Light, Heat and Power Co.'s property by the Quebec government is "not yet in the bag."

At a political rally held in St. Johns, P.Q., Hon. T. D. Bouchard, senior cabinet member and long an advocate of a provincially owned hydro system, stated he did not "favor" the forced expropriation of the property under certain conditions.

The principal condition which Mr. Bouchard regarded as essential was that the huge enterprise be available at "reasonable" cost.

"I have always been consistent on this matter," he said, "and we are ready now to buy Beauharnois if we can do so at a reasonable price. I am against the forced expropriation of Beauharnois and if they (the company) want an exorbitant price for it, I shall recommend that we forget it. Maybe we don't need Beauharnois for electricity so close to St. Johns and Montreal."

Change in Trend

The view expressed by the Minister of Roads and Public Works is of significance.

When the Dominion government announced it was ready to go ahead with St. Lawrence waterways, it did so with the approval of the governments of Ontario and Quebec. The changed attitude of the Quebec government occasioned some surprise and Premier Godbout justified his action by stating it provided the province with an opportunity of taking over Beauharnois for a provincial hydro system which would ensure lower electricity rates.

Since then, there has been a more thorough study of the situation and doubt as to the advisability of taking over the property, is reportedly rising.

Drawbacks to Move

Acquisition of Beauharnois by Quebec would deprive the provincial government of nearly $600,000 in royalties and taxes. It would also affect revenues of municipalities in which the company operates.

It is also pointed out that Beauharnois is not in the retail distribution business; all of its power output being sold in large blocks to Ontario Hydro, Montreal Power and other customers. The company has no retail outlet.

Take Preliminary Step

A few weeks ago the government informed the company that it was ready to discuss the matter of taking over Beauharnois. As far as is known the discussions have not got beyond the preliminary stage.

It is reported the government would like to acquire the capital stock at approximate market value. Montreal Power, on the other hand, is said to have no desire to sell its majority holdings on such a basis. The company regards its holdings in Beauharnois as having a much higher value than is indicated by the market price of the shares.

There has been no suggestion of expropriation proceedings so far,

(Continued on page 2, col. 2)

The War And Business . . A Weekly Round-up

Slim Export Hopes

Despite the fact that Trade Minister MacKinnon is touring South America in the interests of greater Canadian export trade to that area, word from Ottawa would indicate that no real progress is anticipated so long as the war lasts.

South Americans are principally interested in imports of household and industrial equipment, things like refrigerators, radios, farm implements, steel rails, steel pipe, railway rolling stock, etc. Now Canadian plants turning out such material are so busy with urgent war orders that there is little or no capacity for export trade.

Indeed in certain specialities, like copper products, in which Canada has worked up quite an export, it is understood that Ottawa has stepped in and insisted that so long as a shortage of copper looms in either the United States or Canada, no more shipments are to be permitted to South America.

* * *

Gas Curb Victims

Most interested party in Canada's slowly unfolding gasoline restriction policy is not the motorist or the oil company, but the man whose bread and butter depends upon the volume of gasoline he is able to sell—the service station operator.

At a conservative estimate there are 50,000 of these individuals manning the 30,728 service stations throughout the Dominion. Their main business is—or has been—to sell gasoline to the private motorist.

To do this they use slightly over 60,000 pumps or almost an exact average of two pumps to a station. They do sell, of course, a good deal of gasoline to motor trucks also, but perhaps the bulk of this business is handled through the 11,846 consumer pumps, operated by companies which maintain large truck fleets of their own, the transport concerns, large stores, construction companies, etc.

Last year through all these 72,000 pumps, service station and consumer flowed a flood of 700 million gallons of motor fuel. This year, Oil Controller Cottrelle states emphatically, that flood is going to be diminished. How this can be done without seriosuly interfering with the economic life of the service station operator is something that the latter is not prepared to answer.

* * *

Australian War Budget

Australian war expenditures for the year ending June 30 next will be approximately $760 millions in Canadian funds. This compares with approximately $600 millions last year. Prime Minister Arthur W. Fadden explains that the new war budget, however, is approximately double that of 1940-41 because under lend-lease arrangements, Australia will now receive much war material not available previously and which presumably is being "charged" until after the war. About 75% of the war expenditure during the coming year will be spent in Australia with the balance spent for goods from the United Kingdom, the Empire and Allied governments.

To meet new war expenditure, plus the ordinary costs of government, almost a half of the money will be available under present rate of taxation, about one tenth will be raised by new taxation and the balance will be borrowed.

In Canada's budget last spring Ottawa planned to spend approximately $1.5 billion on the war effort in addition to financing approximately a billion dollars worth of British purchases in Canada.

The two countries' balance sheets compare as follows:

Budgets
(In millions of dollars)

	Australia† $♦	Canada‡ $
Total	1,118	*2,668 to 2,818
Non-war	358	468
For war	760	1,300 to 1,450
To be financed by:		
Existing taxes	570	1,150
New taxes	112	250
Loans	427	1,068 to 1,218

*Includes $900 millions aid to finance British purchases in Canada.
†To June 30, 1942. ‡To Mar. 31, 1942.
♦Basis, Australian pound = $3.50 Canadian.

* * *

To Save on Tin

Extending the wartime conservation programme, Hon. C. D. Howe, Minister of Munitions and Supply, has announced an Order-in-Council requiring Canadian canners to use, where possible, containers with a reduced tin content.

Following meetings at which G. C. Bateman, Metals Controller, representatives of a number of the larger canning concerns, and officials of the Department of Pensions and National Health were present, it was found possible, Mr. Howe said, to reduce by 10% the tin coating of plate for containers of most food products. The use of the standard plate, however, is to be continued for canning certain fruits, vegetables, specialties, juices, fish products, meats, and meat products, as covered by the Order-in-Council.

For other products a lighter tin plate container is to be used or in some cases ordinary black plate. Standard tin plate, contrary to public opinion, is about 98% ordinary steel with a coating of pure tin.

* * *

Further Restrictions

Further restrictions in the civilian use of steel, oil and chemicals is forecast at Ottawa. "We are faced with a growing shortage of many essential materials," R. C. Berkinshaw, chairman of the Wartime Industries Control Board stated this week, following a meeting of his Board. "The ever-increasing demands of an all-out war effort are such that further curtailment of supplies for civilian use is inevitable. The job of the Wartime Industries Control Board is to put first things first. When and where further limitations of supplies for civilian demand are necessary, as they will be, we shall make every effort to avoid subjecting business and the public to unnecessary hardships."

The meeting was attended by the Controllers operating under the Department of Munitions and Supply and also by Hector B. McKinnon, chairman of the Wartime Prices and Trade Board, who was recently appointed to the Wartime Industries Control Board in order to strengthen the liaison between the two government boards which together have broad powers over war materials, production, prices and civilian supply.

* * *

Joint West Coast Defense

Joint preparations are being made by Canada and the United States for defense of the west coast, an official bulletin from Ottawa reveals. A major factor in that defense is the construction of a series of staging airdromes all along the coast by which fleets of fighter or bomber planes from either or both countries could be quickly moved to new bases to repel attack. At the same time Canadian coast defense squadrons are being strengthened by the provision of the most modern aircraft. Progress in both cases it is stated is "well in hand."

* * *

May Borrow in U. S.

Indication from Cordell Hull that the U. S. Neutrality Law may be repealed has wide implications for Canada.

First it would open the way for a direct borrowing by Canada in the U. S.—something which has not been possible since Canada declared war.

Next it would pave the way for substantial participation by U. S. firms in subsequent domestic Victory loan campaigns.

It is the latter possibility which interests finance officials at Ottawa most keenly. While Canada would like to avoid borrowing in the U. S. as long as possible it would be a very great advantage if large institutional, corporation and individual investors in the U. S. were free to participate in Canadian war loans.

In the last war approximately $75 millions of Canadian war bonds were sold in New York each year until the U. S. entered the conflict itself.

* * *

Milestones

Cork designated essential war product, distribution and consumption now subject to official control . . . Fred Presant of Toronto Elevators appointed feed controller . . . fourteen keels laid for 9,300 and 4,700 ton cargo ships under wartime merchant shipping programme . . . use of rolled steel plate for cigarette containers prohibited . . . use of chlorine, for bleaching paper, etc., further restricted . . . large increase in number of air training schools and size of existing schools forecast . . war orders awarded by the Department of Munitions and Supply for the week ended Sept. 16 numbered 3,157 and totalled over $40.8 millions, previous week total $27.7 millions.

Canada Offers Soviet War Material Supply

By STAFF WRITER

OTTAWA. — Canada has offered Russia a wide list of war materials and munitions, The Financial Post is informed. Final decision and details of purchase, shipment, etc., will depend partly on the negotiations now under way in Moscow between British, U. S. and Russian officials and partly on the results of discussions with the Russian mission now in the U. S. and shortly to visit Canada.

Meanwhile some actual shipments of army stores have already been dispatched from Canadian factories via Vladivostock.

The list which Canada has compiled of material available for Russia includes: ammunition, motor transport, aircraft and army stores, i.e., boots, clothing, blankets, etc. It is quite possible that Canada may also ship some tanks to Russia in the near future.

These materials represent almost entirely "excess" capacity of Canadian factories which can be made available for diversion to Russia.

Any orders placed would be in addition to orders now already placed in Canada for Britain, the U. S. or the Canadian governments.

Tie Tips from EATON'S

Just in from England!

New Shipments of WELCH-MARGETSON Real Silk

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No need to say much about these wonderful ties . . . their reputation speaks for them! Real silk, beautifully knit by this famous maker in stripes, plain shades, heathers and fancy patterns! One of the biggest selections ever!

Each **3.50**

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Main Store—Main Floor

T. EATON Co. LIMITED TORONTO CANADA

Score of Nuisance Taxes to Go In New Deal With Provinces

(Continued from page 1)
and corporate taxes, the first option in item (a) above.

Little to Choose

Prince Edward Island can choose either alternative with a possible slight advantage in being paid for its debt service.

Respective figures are reported in the material prepared for submission to the interprovincial conference last January are:

Tax and Debt Service Options
(In thousands of dollars)

	Tax Revenues	Debt Service
P. E. I.	259	268
N. S.	1,526	2,817
N. B.	2,083	3,259
P. Q.	18,439	3,986
Ont.	30,125	9,100
Man.	4,616	3,180
Sask.	1,929	6,274
Alta.	3,133	6,243
B. C.	12,626	5,970
	74,736	41,087

Tax Revenues: Are the amounts which the province and its municipalities actually obtained from personal and corporation taxes in the fiscal year ending nearest Dec. 31, 1940. (Figures taken from official Red Book of Interprovincial Conference 1941.)

Debt Service: Cost of net debt service actually paid by each province in its 1940 fiscal year, less revenue from succession duties.

Note.—Each province may choose whichever "option" is most profitable.

There is no question of the federal government's proposals being accepted.

The proposition was framed in such a way as to leave little alternative.

What has taken place in the last week and what will take place from now until the agreements are finally settled is simply discussion as to detail—definition of what constitutes corporation tax; discussion as to fiscal need subsidies—how they shall be computed, etc.

Want Them Fixed

Western provinces have been especially interested in the amount and nature of fiscal need payments.

Ottawa is anxious that these be fixed definitely now for the duration of the war to avoid annual wrangling of the type which characterized unemployment relief subsidies during the depression. At least one province argued that it was unfair and impossible to fix the amount of these subsidies now; that they should be computed annually or on the basis of fiscal need as it arises.

One important point raised was the probable effect of price and wage inflation on provincial pocketbooks.

It was suggested that a provincial budget be worked out for the duration of the war with an "escalator" clause to provide something in the nature of a cost-of-living bonus in the event of provincial wage and administration costs being affected by inflationary upswing.

Hope to Meet Threat

No decision was reached on this point. Ottawa leans to the hope that new and impending wage and price legislation for which it is seeking provincial co-operation will go far to meet the inflation threat.

Ottawa's attitude has been that each province must attempt to determine now the probable extent of its "need" and that a final settlement must be reached except for the possible proviso of an inflationary upswing.

Once the agreements are approved, score upon score of complex and vexatious corporation "nuisance" taxes will disappear for the duration.

The Rowell-Sirois Commission listed no less than 29 different types of company, each of which was now taxed by special levies in one or more provinces. Most of these concerns were taxed provincially in four or five ways—on capital stock, places of business, net income, gross revenue, surcharge, investments, etc. Banks and insurance companies, for example, have to pay eight different types of tax under present provincial tax legislation.

Total revenue collected by provincial governments and their municipalities in the 1941 fiscal year from all corporation taxes, was nearly $57 millions.

The only exemption which would be made to provinces respecting corporation taxes under the new plan is for taxation of natural resources—royalties on timber rights, crown lands, etc. These would still remain with the province.

Under the agreement the federal government reserves the right to levy additional taxes on banks, insurance companies, railways wherever it is found that withdrawal of provincial levies leaves a corporation, or group of companies, in a relatively better position (financially) than hitherto.

The Financial Post was informed that this matter has not entered actively into the discussions at Ottawa, but that this is a question of federal government policy and will be decided once the agreements have been negotiated. In some cases, it is not expected that any additional tax will be levied.

In any case there will not likely be more "nuisance" taxes and any increase will be through simple and direct means, probably an increase in the flat rate of tax now applying to ordinary corporations.

Estimated results of this tax deal as compiled by Mr. Ilsley in his budget speech last April suggested that for the balance of the current fiscal year, the payment or allowance to all provinces after deducting yield from taxes to be imposed on banks, insurance companies, etc., and the net reduction in subsidies would be $48 millions. For the full year he estimated the allowance at $90 millions. If each province took its most profitable option under the table printed above the "cost" to Ottawa for a full year would be $84 millions.

Rebate Smaller

Because of the delay in holding a conference with each province and the further delay in making a settlement until after elections have been held in B. C. and Nova Scotia, Ottawa will not have to rebate so much revenue to the provinces. Instead of $48 millions the amount will be reduced to somewhere between $30 and $40 millions.

At the same time, actual revenue received by Ottawa from personal and corporation income taxes has considerably exceeded earlier estimates.

For the full fiscal year, a "credit" to provinces estimated at $90 millions will now be increased by a substantial payment on account of gasoline tax not provided for originally.

It will be remembered that Mr. Ilsley's budget was prepared and delivered nearly three months prior to the imposition of gasoline restrictions which have greatly curtailed provincial revenues. Provinces are safeguarded in the agreement against any reduction in revenue from this source below the 1940 fiscal year total.

Obituaries

Sir Herbert S. Holt, aged 85 at Montreal, chairman of board, Montreal Light Heat & Power Consolidated, chairman of board and executive committee of The Royal Bank of Canada, president Montreal Trust Co., chairman of board and vice-president, Montreal Cottons Ltd.; chairman of board, Andian National Corp., Beauharnois Power Corp., Dominion Textile Co., vice-president and member executive committee Consolidated Mining and Smelting Co. of Canada, member executive committee and director, Canadian Pacific Railway; director Anglo-Canadian Pulp & Paper Mills Ltd., British Columbia Power Corp., Canada Cement Co., Canadian Airways Ltd., Canadian Bronze Co., Canadian General Electric Co., Consolidated Bakeries of Canada Ltd., Dominion Bridge Co., Dominion Steel & Coal Co., Dominion Tar & Chemical Co., Gillette Safety Razor Co., Holt, Renfrew & Co., Howard Smith Paper Mills Ltd., Ogilvie Flour Mills Co., Paton Manufacturing Co., Shawinigan Water & Power Co., Simpsons Ltd., Sun Life Assurance Co., Tuckett Tobacco Co., West Kootenay Power & Light Co.

* * *

Senator Lorne C. Webster, aged 70, at Montreal, president Holt, Renfrew & Co., chairman Canadian Board Union Insurance Society of Canton, director Canadian Car & Foundry Co., Canadian Steel Foundries, Ltd., Canadian General Investments Ltd., Quebec Power Co., Sun Life Assurance Co., Dominion Steel & Coal Co., Canadian Tube & Steel Products, Canadian General Insurance Co., Canada Steamship Lines Ltd., Twin City Rapid Transit Co.

* * *

C. P. Liebich, former superintendent of premises department of the Bank of Montreal aged 51, at Montreal.

* * *

F. E. Meredith, director Canadian Pacific Steamships, Ltd., Bank of Montreal, Royal Trust Co., National Steel Car Corp., Liverpool & London & Globe Insurance Co., Canadian Cottons Ltd., Standard Life Assurance Co. (Canadian board), Montreal London & General Investors Ltd., aged 79, at Montreal.

* * *

Sir William Hearst, president Municipal Bankers Corp. (1931), former premier of Ontario, aged 77, at Toronto.

* * *

Malcolm F. MacKay manager York Paper Box Co., aged 69, at Toronto.

HEADS AIRCRAFT FIRM

E. G. Patterson has been appointed general manager of Ottawa Car & Aircraft Ltd., succeeding W. H. McIntyre, who takes another position with the company. Mr. Patterson was with Canadian Associated Aircraft, Ltd., from 1938 to 1940, when he joined Ottawa Car.

See Beauharnois Deal Probably Held Up

(Continued from page 1)
but it is held in responsible quarters that there is little prospect of the two parties getting together in setting a mutually satisfactory price for the stock.

It is this situation which Mr. Bouchard probably had in mind when he spoke at St. Johns to the effect that he was against the expropriation of the property.

Might Affect Credit

At this time the provincial government is making a mighty effort to put the province's finances into shape. Considerable headway has been made along those lines but much remains to be done.

Steps taken to date have been most helpful, but it is recognized that any large outlay to cover the cost of expropriating the Beauharnois property at this time might not sit well with bond buyers.

A firmer tone in the market for Quebec utility stocks is being widely interpreted as reflecting the growing belief the deal may not go through.

Company Reports

Nanaimo-Duncan

In presenting the annual report of Nanaimo-Duncan Utilities Ltd., Big.-Gen. J. A. Clark, K.C., president, stated that last year's 500-kw. addition to the power plant raised annual output above the estimated 4 million kw.h., actual output for the year ended June 30, 1941 being 4,504,590 kw.h. Distribution system, substation transmission lines and street lighting system for the Nanaimo Military Camp have been completed. A line to the recently opened No. 8 Mine of Canadian Colleries is under construction.

In the rural areas served, some 15 miles of lines were constructed during the year, and many improvements in existing lines were effected to permit carrying greater loads. The waterworks system at Duncan has been improved by the installation of a chlorination plant.

The number of customers served rose in the year from 5,635 to 6,057, a continuation of the steady increase from the 4,400 customers at June 30, 1934. Use of electric current in residences rose 15% in the year and commercial and power sales rose 12%.

Income and Surplus Account
Years Ended June 30

	1941 $	1940 $
Operating revenue:		
Electricity	452,114	402,567
Water	22,391	21,561
Total revenue	474,505	424,128
Less: Oper. exp.	166,334	154,456
Maintenance	29,436	25,502
Prop. & bus. taxes ..	3,582	3,460
Prov. gross rev. tax.	2,990	5,302
Gen. & admin.	29,237	29,909
Directors' fees	1,320	960
Depreciation	64,669	61,412
Operating profit	176,937	143,127
Add: Other income ...	4,702	187
Less: Bond int.	27,885	28,077
City of Duncan deb.	2,053	2,158
Other interest	868	3,518
Premium bd. red. ..	330	......
Income taxes	71,025	43,998
Contingencies	5,000	1,392
Pension fund	5,752	5,338
Net profit	68,726	58,833
Less: Pfd. divds.	26,000	26,000
Common divds.	33,750	25,000
Surplus for year	8,976	7,833
Add: Prev. surplus ..	89,526	81,693
Surplus forward	98,502	89,526
Earnings per Share:		
Preferred: Earned .	$8.59	$7.35
Paid	3.25	3.25
Common: Earned ..	0.57	0.44
Paid	0.45	0.40
Working Capital	$	$
Current assets	197,059	143,822
Current liabilities	150,038	114,425
Working capital	47,021	29,397

Teck-Hughes Net Shows Recession

Reflecting a reduction in bullion output by close to $600,000, estimated earnings of Teck-Hughes Gold Mines showed a reduction to $1,987,971 or 41.3 cents a share in the fiscal year ended Aug. 31, 1941, from $2,305,512 or 48 cents a share reported the previous fiscal year.

Dividends received from the subsidiary Lamaque Gold Mines during the year totalled $1,233,200 or slightly more than the $1,141,305 for the 1940 fiscal period.

Reserves Down 10%

Ore reserves showed a decline of slightly over 10% in tonnage with ore grade also slightly lower. Reserves as at Aug. 31, 1941, were 446,347 tons of ore averaging $9.85 per ton against 515,197 tons of $10.24 grade a year earlier.

Production of $3,024,851 for the fiscal year ended Aug. 31, 1941, was secured from 294,235 tons of ore milled for an average recovery of $10.28 per ton. In the preceding fiscal year, recovering was $3,605,276 from 337,430 tons of ore, an average of $10.68 per ton.

On the basis of tonnage of ore milled in the latest fiscal year, ore reserves remain sufficient for 1½ years milling operations aside from future new ore that may be opened up.

GatineauPower Net Hit by Tax

From Our Own Correspondent

MONTREAL. — Gatineau Power Co.'s gross revenue in the second quarter of 1941 was on practically the same basis as the like period a year ago. Income from all sources totalled $2,447,113, as against $2,500,393 in 1940.

Net profits available for distribution on the capital stock, after provision for income and excess profit taxes, totalled $485,851 for the three months ended June 30 last. This represented a decline of around $64,000 from the same quarter of 1940. The decrease was primarily due to a loss of $56,840 on exchange, whereas a year ago there was a credit of $102,105. There was a decline in tax provision from $648,054 to $476,136. It will be recalled that in the second quarter of 1940 the accounts made provision for taxes in the first quarter, which explains why those reported for the second quarter of 1941 are lower than in 1940. Consequently the comparison shown below does not fully reflect the effect which taxes have had upon net earnings of the company, for if an adjustment is made in the 1940 accounts, net profit in the second quarter last year would have been appreciably higher.

Revenue and Expense Account
Three Months Ended June 30

	1941 $	1940 $
Gross revenue	2,447,113	2,500,393
Less: Gen. expenses ..	247,208	225,979
Maintenance	62,514	42,554
Taxes	476,136	648,054
Net income	1,661,255	1,583,806
Less: Bond interest ...	588,052	588,152
Debent. interest	187,860	200,764
Loss on exchange ..	56,840	*102,105
Depreciation	300,000	300,000
Debt discount	42,652	47,400
Net profit	485,851	549,594

*Credit.

Lamaque Profits Jump Sharply

Earnings Close to 15 Cents a Share in Three Months Ended Aug. 31

A sharp rise featured profits of Lamaque Gold Mines for the three months ended Aug. 31. Earnings totalled $443,714, equal to 14.8 cents a share, compared with only $310,805 or 10.4 cents a share the preceding three months, which had been a below average quarter.

A larger tonnage of better grade ore milled was the chief reason for the improved showing in the August quarter. Production totalled $1,308,581 from 112,640 tons of ore for an average recovery of $11.62 per ton. In the previous quarter recovery was $1,170,709 from 114,539 tons of ore, an average of $10.45 a ton.

New Ore Grade Better

New ore opened up totalled 1,488 ft. averaging $12.92 across an average width of 6 ft. in the three months ended Aug. 31, 1941. In the three months before, 1,847 ft. of new ore had been found averaging $12.29 across an average width of 6 ft.

Ore reserves at Aug. 31, 1941, totalled 927,777 tons averaging $9.94 a ton or slightly more in tonnage than the 919,950 tons of $10.05 grade ore three months previous.

C.N.R. Revenue In U. S. Higher

From Our Own Correspondent

MONTREAL.—Canadian National Railway lines in the United States recorded an improvement in net railway operating income of nearly $3 millions during the first seven months of 1941 compared with a like period of 1940.

Returns covering Canadian National lines in New England, the Central Vermont Railway and the Grand Trunk Western, show, in the aggregate, a substantial increase in operating revenues. The gain for the Grand Trunk Western was particularly heavy, from $14.1 millions to nearly $17.9 millions.

Better Net Positions

Canadian National lines in New England reported a net railway operating deficit of $335,014 for the first seven months of this year, a decline of $102,000 from that reported a year ago.

Central Vermont, on the other hand, reported an increase in net of around $380,000, while the Grand Trunk Western chalked up a gain of over $2.2 millions.

Particulars of the income of the Canadian National's three associated interests in the States follow:

(Seven Months Ended July)

	1941 $	1940 $
C. N. Lines in New England		
Oper. revenue	1,052,685	970,385
Oper. expenses	948,449	1,013,306
Net oper. deficit	335,014	437,800
Central Vermont		
Oper. revenue	4,454,963	3,731,555
Oper. expenses	3,065,537	2,896,888
Net oper. income	879,426	391,006
Grand Trunk Western		
Oper. revenue	17,898,648	14,085,964
Oper. expenses	12,019,379	10,834,263
Net oper. income	4,062,091	1,807,501

On the Labor Front

The labor front was strengthened and stabilized this week by the ending of several major disruptions of output of essential war supplies. Other developments at mid-week pointed to a broader official control over labor-industrial relations, and a sober effort by responsible labor elements to maintain production and adjust differences with employers by sound amicable procedure.

The week got off to a good start with resumption of normal production activities at the two principal sore spots of labor trouble that have been hobbling war supply — the Cape Breton coal mines and the plant of McKinnon Industries Ltd. at St. Catharines, Ont.

* * *

In Cape Breton, "outlaw union" coal miners were again being hired and sent to the pits from which they had been barred for the past few weeks, when they persisted in their protracted slowdown of production. After a five-month slowdown campaign which defied efforts to end it by government, company and official union authorities, the outlaw convention of rebel miners unions finally yielded to the pressure of non-employment and voted return to full production.

The slowdown cut output at some collieries by as much as 40% and slashed total production of all mines involved by some 600,000 tons. It ended only when Dominion Coal Co. officials began to withhold pit lamps and employment from miners who refused to abandon their slowdown tactics. This soon resulted in several outlaw unions and a number of individual miners agreeing to resume normal work, but some 400 miners had been suspended from their jobs before the general convention of rebel miners decided to call quits.

While the slowdown was generally aimed at getting higher pay, actually it revolved around the effort of the outlaw union locals to oust the regional executive of the United Mine Workers. This move was in protest against the failure of the executive to take a referendum of all union members on a new agreement with the company as drawn up by a conciliation board. Such referendums had been customary in the past but are not obligatory on the union officers.

The outlaw convention is now seeking reinstatement of suspended rebel union leaders, release of frozen funds of outlaw locals, and steps to frame a new contract with the company. The present agreement expires Jan. 31, but is automatically renewable unless the union asks by Nov. 1 for negotiation of a new deal.

* * *

McKinnon Industries Ltd. output of war supplies, accounting for about 80% of total production, was rapidly being restored to normal at mid-week. Strikers who had stayed off the job for two weeks at the call of the United Automobile Workers, C.I.O. union, went back to work in the McKinnon plant at the start of the week under an agreement which gives them none of the wage increases for which they struck. When concluded, the strike was threatening to tie up the General Motors of Canada plant at Oshawa, producing army motor vehicles, for lack of supplies and parts from the subsidiary McKinnon Industries factory.

The settlement provides for collective bargaining between the company and the union, including negotiation over demands for wage adjustments to correct any inequalities in pay as between individual workers. However, a statement by Labor Minister McLarty said flatly the agreement to end the strike allowed for no general wage increases or raising of basic rates. No such increases could be given, he added, because they would be in violation of P.C. 7440, the order-in-council laying down the government's wages ceiling and living cost bonus policy.

A conciliation board found that wages at the McKinnon plant were as high as permitted under P.C. 7440. The union nevertheless renewed its demand for substantial wage rate increases and called a strike when the company refused to give in. The walkout is estimated to have cost the workers involved about $450,000 in wages.

* * *

Extension of P.C. 7440 on a more or less compulsory basis to non-war industry, in addition to its present firm application to war plants, was foreshadowed this week when Labor Minister McLarty set out to enlist co-operation of provincial governments in the move. He left on a tour of the western provinces, when he will seek the support of provincial authorities for making 7440 effective over all industry. Later on he will take up the matter with provincial officials in eastern Canada, he said.

The minister deems it essential to gain provincial co-operation in making 7440 all-embracing in its control over wartime wages, and in preventing a wages-prices inflationary spiral.

At the time Mr. McLarty set off on his tour, the continuing strike of 53 men at the Pacific Bolt Co. plant in Vancouver was the only remaining labor tie-up of a war plant in Canada. He estimated that altogether only one five-hundredth of 1% of workers in Canadian industry were on strike, "the best record of any democratic country."

* * *

Organized labor groups apparently do not share Mr. McLarty's satisfaction with the labor situation. The minister's resignation, on ground of unsatisfactory handling of his portfolio, was demanded in a resolution sent to Prime Minister King by the London Labor Council. At Calgary over the week end, the annual convention of the Trades and Labor Congress of Canada wound up on a keynote of demands that the government lay down a clarified and improved labor policy.

One of the chief demands was for impartial administration of the wage-bonus policy of P.C. 7440, and its amendment to provide a minimum basic wage level of 50 cents an hour or $25 for a 50-hour week. Such a basic wage level forms the foundation of calculations of the cost-of-living bonuses provided for in 7440, but is not specified as a minimum wage rate.

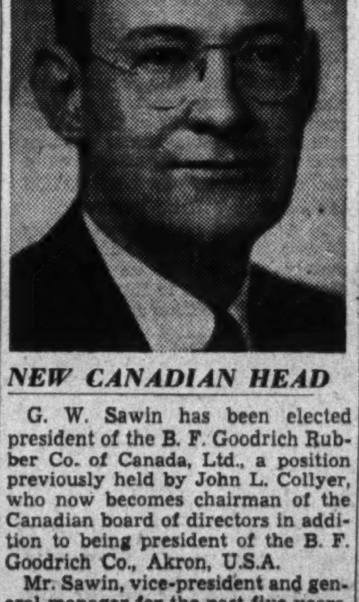
* * *

Other developments along the labor front included the vote taken among employees in the Toronto plants of **Canada Packers Ltd.,** which gave a majority of 273 in favor of the existing plant council machinery for liaison with the management and for settling any grievances or disputes. The minority vote went to the Packing House Workers Organizing Committee, a C.I.O. group.

The day before the vote was taken, a mass meeting of employees from all six plants was addressed by J. S. McLean, company president, who outlined the company view on the union demand for recognition and setting up of a conciliation board; and by union spokesmen, who stated the union side of the case.

* * *

Canadian General Electric Co. officials announced increase of the cost-of-living bonus for company employees across Canada, both in factories and offices, from $1.95 to $3.20 a week. This covers a further rise in the cost-of-living index since the company initiated bonus payments in May, and goes to all male workers over 21 earning up to $3,000 a year. Women and junior male employees will get 12.8% of weekly earnings.



NEW CANADIAN HEAD

G. W. Sawin has been elected president of the B. F. Goodrich Rubber Co. of Canada, Ltd., a position previously held by John L. Collyer, who now becomes chairman of the Canadian board of directors in addition to being president of the B. F. Goodrich Co., Akron, U.S.A.

Mr. Sawin, vice-president and general manager for the past five years, has been with B. F. Goodrich for over 29 years. He is president and director of the Rubber Association of Canada and a member of the newly elected Dominion's rubber advisory committee.

B. M. Costello, factory manager, is new vice-president and factory manager.

Canada Northern Power Operations Widening

Power output of Canada Northern Corp. for August at 63.2 million kw.h. was 2.8 million kw.h. higher than for August last year. Cumulative production for the current year to date totals 496.3 million kw.h., as against 499.3 million kw.h. for the first eight months of 1940.

Last month 14 new customers were added to the company's system, bringing the total number served to 25,639. This contrasts with 25,311 customers at the end of August in 1940.

MALARTIC MOVES DRILLS

After it proved difficult to complete further drill holes to the west at the Malartic Gold Fields property due to heavy boulder-laden country, both diamond drills were pulled out and moved to a southern location. Drill holes are now being put down to cut the zone from the south instead of the north with faster drilling anticipated.

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From the gold fields of the Yukon to the gypsum plants of Nova Scotia, the Bank of Montreal is co-operating with Canadian MINING, by providing its various enterprises with the efficient, specialized forms of banking service each requires.

Serving Canadians and their industries in every section of the community we invite you to discuss YOUR banking requirements with us.

BANK OF MONTREAL

Modern, Experienced Banking Service... *the Outcome of 124 Years' Successful Operation*

New Wage Controls Polished by Ottawa

(Continued from page 1)
control of transfers in certain key trades where a shortage of workers now exists. This control will be worked out through the Employment offices of the Unemployment Insurance Commission, which are now being set up and organized throughout Canada. Its aim will be to prevent the poaching of key workers from one area or industry to another and prevent the bidding up of wage rates as between individual firms and industries, and between war and non-war industry.

There will be no attempt to "conscript" individual workers by ordering them to this or that place. Instead the curb will be placed on employers who will be prevented from employing certain specified types of workers except through the established channels, namely the new employment agencies.

Machinist John Smith will be free to quit the X Manufacturing Plant and look for another job. But the Y Corporation will be prohibited by law from hiring John Smith except through the official employment channel.

The Test Case

Show-window test of the government's wage policy is, of course, the McKinnon Industries plant. The men in this plant have gone back to work subject to negotiation of wage adjustment claims, and each side claims that operations are continuing on a status quo basis. Hon. Norman McLarty has also staked his reputation by giving personal assurance that in going back to work there has been no wage raise promise to the men which would in any way violate P. C. 7440.

Crux of this settlement will, of course, be found in what happens to wage rates in the plant. Under 7440 it is theoretically illegal for workers in a war plant to be granted a basic wage rate higher than that received in 1926-29 or up to the end of 1940. But workers in a plant may receive promotions or may be moved from a lower bracket into a higher one on the basis of merit.

Mr. McLarty's statement implies that such promotions or advancements will be made at McKinnon but that there will be no basic increase in wage rates. To grant such increases would, of course, crack P. C. 7440 for all the world to see.

Allege Violations

But there are reported to be many war industry plants where P. C. 7440 has already been violated openly and emphatically. It is openly alleged here that the Department of Munitions and Supply is being forced to condone wage rates and wage agreements which are in violation of 7440 in order to keep personnel intact and meet the competition of non-war industry for key workers.

The construction industry has been exempt from P. C. 7440 and it is claimed that the rising wage rates in that industry in recent months has had a vicious effect on wage rates in many other trades and that this has been an important factor in making compliance with 7440 difficult, if not impossible.

Even some of the rates for construction workers which have been approved recently under official Department of Labor Minimum Wage Schedules are said to be in violation of the letter if not the spirit of 7440.

Here are a few examples picked from the correction sheets of the Department of Labor. In each case the new wage rate approved for payment on government work is in excess of the peak rates as reported by the Department of Labor as having been paid in that area or trade during the period 1926-1940. As indicated in the figures in the last column the rates are in most cases far above anything paid in 1920.

New Rates of Wages Approved in 1941 for Dept. of Labor (Ottawa) Minimum Wage Schedules

	New Rate	Former Rate	Peak 1926-40	1939
Stonecutters (Ottawa) ..	1.00	.80	1.05	..
Machinists (Saint John)	.77	.65	.70	.72
Boilermakers (Ontario) ..	.90	.85	.75	[illegible]
Machinists (Victoria) .	.90	.75	.82	[illegible]
Structural Steel Workers (B. C.)	1.22½	1.12½	..	..
Stonecutters (Halifax) ..	1.10	.70	.90	[illegible]
Carpenters (Halifax) ..	.80	.70	.73	[illegible]

The same is true of construction wages in individual cities for non-government work. Electricians in Ottawa, for example, are now being paid 85 cents an hour. On Jan. 1, 1942, the rate will increase to 90 cents. This compares with a peak rate during the 1926-40 period of 80 cents.

Other examples could be used to demonstrate the extent to which 7440 ((which attempted to peg all wage rates at the 1926-40 level) is being weakened.

In short, unless the new Wages Board can exercise its powers over wage control promptly and with mandatory effect over all industry, it seems inevitable that 7440 is no longer soundly established and will permit a wage-price inflationary spiral.

"Condition Not General"

Toronto construction men in touch with prevailing wage scale conditions do not believe the samples quoted reflect typical pay levels for the building industry generally in the localities mentioned, or even in the trades cited.

In some cases, they suspect, the rates quoted do not cover building workers so much as construction artisans such as carpenters, boiler makers and electricians who have been absorbed into the shipbuilding industry. In this field, they point out, wage scales have been boosted above 1926-29 levels because the industry was in a very depressed condition at that time.

As far as factory labor is concerned, in both war and non-war industry, a canvass by The Post this week indicated that general increases in basic pay rates, certainly in excess of the 1926-29 level set in P.C. 7440, have tapered off close to the wage freezing point in the past two or three months. Certainly, it is said, the unrestrained jacking up of wages that went on during the last half of 1940 and earlier this year has been pretty well succeeded, with only isolated exceptions, by retention of the status quo or payment of living cost bonuses.

Gasoline Price Raised For Eastern Canada

Measures taken to reduce consumption of gasoline and oil in Canada over the past two months have achieved a considerable success but have not yet attained their objective.

Oil Controller Cottrelle recently stated that the first nine weeks of the campaign resulted in curtailment of gasoline consumption to about 6% below that prevailing for corresponding periods of 1940.

This reduction is actually greater than it appears at first. The first six months of 1941 had seen a gain of about 20% in gasoline use in Canada over the first half of 1940.

New price schedules went into effect Oct. 1 for gasoline and fuel oil in all of Canada except British Columbia along with the regulations requiring that only two official grades of gasoline be sold for motor fuel.

Two schedules of price changes are announced. For Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island the changes will be as follows:

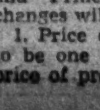
1. Price on grade one gasoline is to be one cent a gallon above the price of premium grade gasoline in effect prior to Oct. 1, 1941.

2. Price of grade two gasoline is also to be one cent a gallon above the price at which regular grades were sold prior to Oct. 1.

3. For light fuel oil the increase is half a cent a gallon and for heavy fuel oil 10 cents a barrel over prices prevailing prior to Oct. 1.

In Manitoba, Saskatchewan and Alberta, no change is being made in price for motor fuel. Grades one and two gasoline will sell at prices prevailing for premium and regular grades prior to Oct. 1. Increases in the prices of light and heavy fuel oils will be the same as in eastern Canada.

EXPERIENCED TRAVELLERS CARRY MONEY SAFELY



Canadian Pacific Express TRAVELLERS CHEQUES

Canada's Labor Trouble-shooters

Have Fine Record of Quick, Painless Settlements

There is no brighter spot in Canada's wartime labor relations picture than the trouble-shooting job being done by the I.D.I.C.

The initials aren't important. They stand for Industrial Disputes Inquiry Commission. What is important is that three men, headed by hard-hitting Humphrey Mitchell, have in the past three months, created a record for quick and "painless" labor settlements which has never been excelled or equalled in any country.

So far they have tackled 37 trouble spots. Not one was easy pickings. Included in their "jobs" were aircraft workers, gold miners, electrical trades, painters, steel workers, glass, textile, potteries, shipbuilding, papermakers, dockhands, meat packers, engineering plants. Most of them were C.I.O. trouble spots.

A total of around 33,000 workers were involved. In each case a strike was threatened or imminent.

100% Success

Yet in no single case has a strike developed. Sixteen disputes have been finally and completely settled.

Appointment of costly and time-consuming conciliation boards has been averted in all but six cases. In 11 cases the commission has recommended against a conciliation board. One or two cases were referred back to the Minister of Labor without any recommendation for or against appointment of a board.

Those who know Chairman Mitchell aren't surprised at what has happened. His record for bringing employer and employee together extends over many years.

A labor man himself, he talks labor's language, yet can be depended upon to give the boss a fair deal.

Associated with him as fellow-commissioners are two men who have proved excellent teammates, George Hodge, manager, department of personnel Canadian Pacific Railway and Gilbert Jackson, investment counsel and economist.

Each member of the board has full commission powers under the terms of their order-in-council. But as a rule, Mr. Mitchell and one or other of the commissioners work together on a case.

The board was set up last June to do a trouble-shooting or patrol job on the labor front when it was found that labor unrest was being aggravated by slowness of Industrial Disputes Conciliation machinery to function under wartime pressure and the failure to get competent commissioners to man the hundreds of conciliation boards which were being sought by workers.

The Mitchell Technique

The Mitchell technique is simple but effective.

Essentially it is based on establishing good faith between the parties concerned.

From long years of experience Mr. Mitchell never meets the employer first—always the employee He always meets the disagreeing parties **separately** until he has heard each case. Later there will be joint meetings to arrive at a settlement. But Mr. Mitchell knows from experience that he can get better results by getting each point of view independently.

It is not long before both employers and employees learn instinctively that they can trust Mitchell and put their cards on the table. As a rule, each side covets his advice as to what to do next.

Mitchell saw service in the British Navy in the last war; has a burning passion for fair play. He'll take a plane to a trouble spot (if possible) to save precious minutes and also impress on workers the urgency of what is being done. Within a few minutes he'll be into the plant probably in his shirt sleeves atop a box or barrel listening to the workers' story and handing out pungent words of advice or admonishment.

Knows the Nazis

Mitchell was in Germany when Hitler came to power and he doesn't mince matters in telling Canadian workers what will happen if we don't get on with the job: He talks like this:

"Anyone who thinks the war is a bloody Christmas tree has another think coming. If it wasn't for a few kids up in the sky none of us would be here today. . . ."

At times, the commissioners settle as many as three disputes in a day. Sometimes they will stay with a trouble spot for two or three days straight running, night and day if they think it important to act while the iron is hot. Other times they look into a situation, then deliberately counsel delay to let tempers cool and events work themselves out.

For the first five or six weeks, disputes were being handled at the rate of about two every three days. It would be impossible to maintain such a pace and in fact pressure has eased somewhat now that accumulated difficulties have been cleared away. The commissioners have also been able to do some invaluable educational work which is having beneficial effect in many areas.

Nearly always the board discovers that workers are ignorant of the real basis of Canada's wartime wages policy. Workers are enlightened on the law and urged to put their demands in some form which will be within the law or within the limits laid down by government policy.

Employers are sometimes equally misinformed or ignorant on the meaning of P.C. 7440 and other planks in governmental labor policy. Very often the employer insists he will have no dealing with a union (and organization rather than wage troubles are at the root of most disputes).

Often the board finds when it has checked with each side separately that the "gap" between employer and employee is a very small one.

One of the most important techniques which the board has established for overcoming hostility to union representation is to have both parties agree to clear their troubles through a "committee of employees."

The agreement is always made with a committee of employees. The fact that this committee may, in fact, be the union leaders (railway, C.I.O. or what-have-you) does not alter the usefulness of this technique.

The Record

Preliminary figures on the board's activities were published in a recent issue of the Labor Gazette. This showed that out of the first 18 disputes (between June 19 and August 12) involving 16,820 workers, eight (3,750 employees) had been settled outright either by agreement or withdrawal of the application for a board. Two cases (5,400 employees) resulted in applications for a board and in one case a board was ordered reconvened.

No final decision was reached in the remaining cases but in the majority of instances nothing has been heard since in the way of complaint or trouble. In no case did a strike result.

In 16 cases out of 35 the government's wage policy as laid down in P.C. 7440 was applied successfully. The McKinnon Industry dispute which was temporarily quieted this week was already under way prior to the appointment of the I.D.I.C. The Mitchell board was not called in on this particular trouble spot.

London Calling

By Atticus

Bullet Fails on "Ugly, Oily, Self-seeking Swarthy ex-Communist" — How Hitler Regards Mussolini — New Bermuda Governor

LONDON. — There are times when, as a commentator of events, I envy the soothsayers, the necromancers, and the star-gazers. With the whole world in eruption, with events hurtling toward each other like boulders crashing down a mountain side, these gentlemen predict that toward the middle of next week something will happen. Then they add the words "watch Europe" or "keep your eye on France" as if to prevent our gaze wandering to Borneo or Mars. Thus I had no doubt that the attempted assassination of M. Laval would be heralded by all the horoscopians as a complete justification of their perspicacity.

* * *

The Hated Man

Few public men have fallen to an assassin's bullet and inspired less pity than M. Laval. The wonder is that so hated and distrusted a personality has been able to wield such influence on a civilized state. Ugly, oily, treacherous and self-seeking, the swarthy little ex-Communist deputy with his stringy white bow tie has mocked all standards of public honor, yet risen to be Prime Minister of France. He has one agreeable feature—a rather attractive grin as though even he appreciates the joke of having reached eminence by such methods.

He was shot while giving his blessing to French volunteers about to leave to fight against the Russians. Yet it was Laval who negotiated the Franco-Russian Pact when the Soviet was badly in need of outside recognition. When he abandoned his Communist associations to join M. Briand's Government of the Right his colleagues raised an eyebrow. "It is quite simple," Laval is supposed to have said. "Whether you spell my name from left to right or right to left, it is still Laval."

He was born the son of a penniless butcher, and after many years in politics is reputed to be a rich man. In fact, according to his own standards, he is a success.

* * *

Men of the Moment

As I have remarked more than once in these notes, the present war is one in which the politicians and diplomats steal the headlines from the Admirals and Generals. Thus once more we have gazed upon those pantomime villains, Hitler and Mussolini, meeting for yet another talk. One wonders if Mussolini remembers the days when he looked down on Hitler as a third-rate imitation of himself. To give Hitler credit, he never regarded Mussolini as anything but a buffoon. Fraulein Friedelinde Wagner once gave me an imitation of how Hitler arranged the chairs in her mother's home and impersonated Mussolini, whom he had just visited in Rome. It was obviously a performance of considerable merit, but then Hitler is supremely a creature of the theatre.

A man of the moment who is cast in a vastly different mold is Mr. Averell Harriman, who heads the American delegation to Moscow. Mr. Harriman is rich, handsome, dark-haired, sincere, and modestly elegant. I liked his statement to a dinner of editors in London: "I don't know why the American press keeps correspondents here. There isn't one correspondent left among them. They have all become British propagandists, and we pay their salaries." And then he added: "I am delighted that it is so."

Mr. Harriman, like Mr. Harry Hopkins, is one of the "dollar a year" Americans devoting all their time to furthering American aid to Britain. The Russians are certain to like him.

* * *

For Bermuda

Viscount Knollys is certain to prove a success when he goes to Bermuda as Governor. He is tall, friendly, unassuming, and good-looking, with a personality that is more in sympathy with the outer Empire than with the more traditional life of these islands. As a soldier and airman in the last war he won the D. F. C., the Croix de Guerre and the Order of the Crown of Belgium. His father was private secretary to King Edward VII; and Viscount Knollys, as a boy, was page-of-honor to King Edward and a train-bearer at the coronation of King George V. An ancestor whom he described as a "medieval gangster," was Mayor of London in the year 1399, and was a contemporary of Dick Whittington.

After the last war Viscount Knollys went to live in South Africa with his wife, who was the daughter of Sir Stuart Coats. There they entertained many friends from England, including the then Prince of Wales. Coming back to live here he became an important figure in the insurance world, and worked endlessly to raise money for cancer research. With his good humor and pleasant manner he will do well in his new overseas setting—which is so British in spirit and so American in appearance.

* * *

In the Hood

There is a moving story behind the death of Admiral Holland, who went down with the Hood. When war broke out he wrote a letter to his wife (I have her permission to quote it) in which he said: "It really seems incredible that Hitler should have so much power for evil. However, there unfortunately seems no doubt about it. For my part my personal survival of this conflict does not seem very important, but I shall hope not to contribute to the ending of the lives of the considerable number of men who sail under my orders."

Perhaps that fatalism was made deeper by the death of his gifted and attractive son John Holland in 1936. It is easy to overpraise the qualities of youth, but I have seen a privately printed volume of this 19-year-old boy's poems and paintings, and if they stop short of genius they go far beyond mere promise. He went to Jugoslavia on a sketching tour, contracted infantile paralysis, and died in a week. His paintings are full of the garish colors of the Adriatic coast, with more than a touch of caricature mixed with the beauty. His poems range over a surprising choice of subjects, even if one suspects the overinfluence of Byron.

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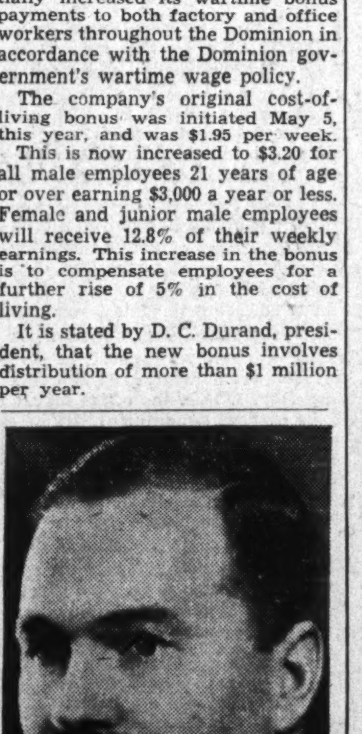
General Electric Pays 2nd Bonus

Continuing its policy of compensating employees for the upward trend in living costs, Canadian General Electric Co., Ltd., has substantially increased its wartime bonus payments to both factory and office workers throughout the Dominion in accordance with the Dominion government's wartime wage policy.

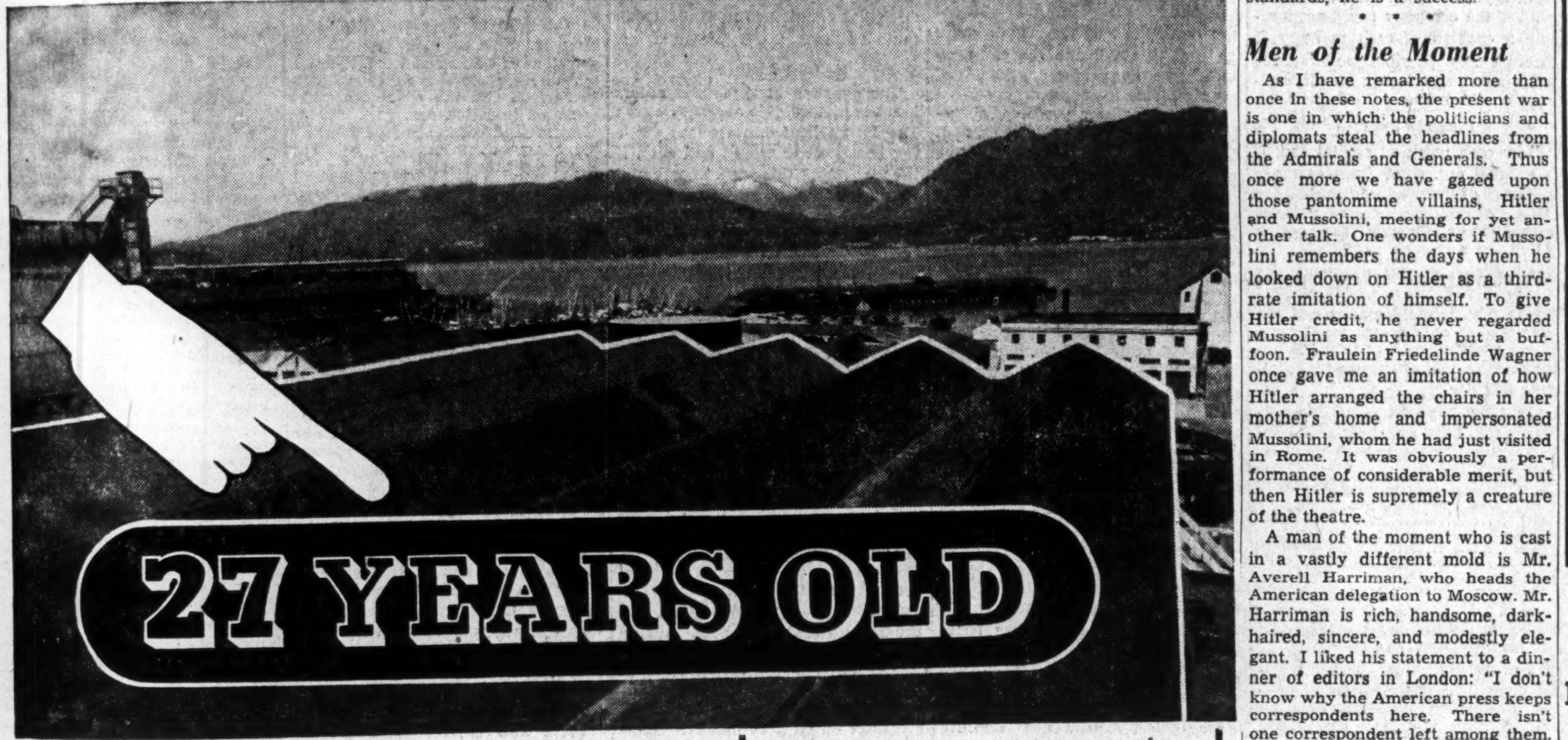
The company's original cost-of-living bonus was initiated May 5, this year, and was $1.95 per week. This is now increased to $3.20 for all male employees 21 years of age or over earning $3,000 a year or less. Female and junior male employees will receive 12.8% of their weekly earnings. This increase in the bonus is to compensate employees for a further rise of 5% in the cost of living.

It is stated by D. C. Durand, president, that the new bonus involves distribution of more than $1 million per year.



JOINS BELL BOARD

Hon. Charles A. Dunning, president of Ogilvie Flour Mills, who has been elected a director of Bell Telephone Co. of Canada, succeeding the late Rt. Hon. A. B. Purvis.

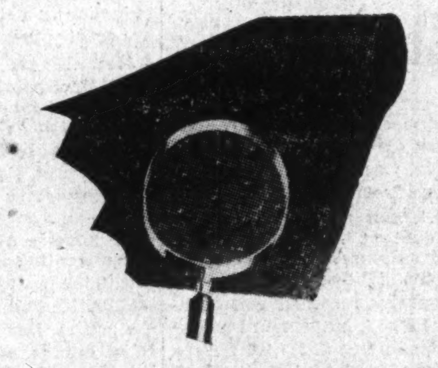


Yet this JOHNS-MANVILLE roof is STILL GOING STRONG!

• Want a roof that will defy fire, sun, snow, rain and wear and give years of protection with *a minimum of costly maintenance?* A Johns-Manville roof is the answer — and the illustration above proves it! This J-M Flexstone Asbestos Smooth-Surfaced Roof was applied on the B. C. Sugar Refining Co.'s raw sugar warehouse at Vancouver, in 1914. Today—after 27 years—the roof is *still in excellent condition!* And, what's more, it's good for still more years of economical service. Here's why it will pay *you* to get a J-M Roof. From J-M's wide range you can choose a roof that is exactly suited to the particular job . . . a roof that is backed by years of scientific research and development. and, best of all, a roof that has *proved* its ability to give maximum service at low cost. For information on J-M's complete line of fire-, weather- and wear-resisting roofing materials write your nearest Canadian Johns-Manville office.

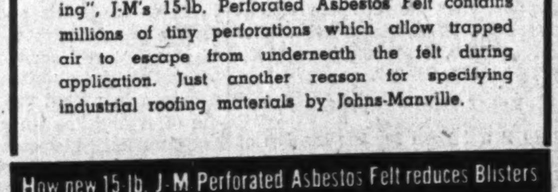
Newest Roofing Development

J-M PERFORATED ASBESTOS FELT



Developed after years of intensive research to increase roof service by greatly reducing "blistering", J-M's 15-lb. Perforated Asbestos Felt contains millions of tiny perforations which allow trapped air to escape from underneath the felt during application. Just another reason for specifying industrial roofing materials by Johns-Manville.

How new 15-lb. J-M Perforated Asbestos Felt reduces Blisters



WHEN ORDINARY FELTS ARE USED
Air is trapped in slight irregularities in the roof deck and later expands under the sun, causing "blisters".

WHEN THE NEW 15-LB. PERFORATED FELT IS USED
Air is expelled through the holes; the new perforated felt adheres to the deck at all points. The tiny holes seal themselves.

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YOUR FAMILY is well protected now, while you are here to take care of them. But later on . . . ? Does the spectre of unfortunate investments, exhausted principal, want and hardship mar your thoughts of their future? Consider then how easy it is to name us as your executor and trustee, thus providing the experienced management that is the very foundation of financial security. May we explain these services?

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MONTREAL TORONTO

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FOR EXAMPLE:

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1. Find the average hourly rate
2. Find the overtime rate
3. Find the overtime earnings
4. Add total piecework earnings and overtime earnings to find gross earnings.

• The Printing Calculator, with its 10-key, touch-method keyboard, and its printed tape recording a permanent proof of every calculation, can hold its own on this four-step job, in competition with multiple-key, dial-answer, ordinary calculators.

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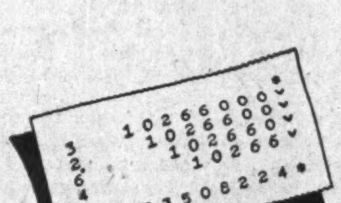

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Investment Trends

Stock Markets Shocked By U. S. Tax Proposals

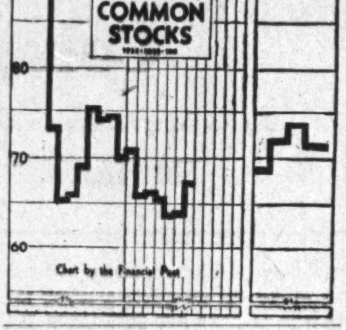
Idea of 6% Limit on Capital Return Far From Realization Yet But Upsets Weak Markets — Inflation Still in Background

About a week ago stock prices in the United States declined sharply when Secretary of the Treasury Morgenthau advanced the idea that a tax should take away all corporate profits in excess of a 6% return on invested capital during the period of current emergency.

This was enough to start a decline that took New York price averages down to levels of early August. In Canada the move was reflected by similar declines, although no one in Canada had made such drastic suggestions as Secretary Morgenthau.

Since the date of his statement, financial and business journals have devoted many columns to pointing out how undesirable such a tax would be.

These proposals are of concern in Canada only because of the effect on investment markets. It illustrates the extent to which governments may be ready to go under circumstances such as prevail today. And it is another example of the kind of shock which investors probably must be prepared to expect from time to time.



Still Inflation

There exists in Canada much intelligent opinion to the effect that we are headed inevitably toward a price inflation. Those holding this opinion admit that we have laid the foundation for an effective control of the opposing forces of an expanding purchasing power and a shrinking supply of commodities, or perhaps it should be put, a demand for commodities that is getting away ahead of the supply. But they question the effectiveness of enforcement of these measures already outlined as part of Canada's fiscal policy.

In the United States this week the Federal Reserve Board has raised member bank reserve requirements the equivalent of a reduction of 23% in the amount by which bank credit could be expanded on the basis of existing bank reserves. Also getting active consideration is a bill to give control of some prices—but not wages—as a further step in keeping things under control.

It seems quite possible that sooner or later—just when cannot be foretold—the forces which generate all this talk of inflation and measures to control it will turn attention more strongly toward the reasonable measure of protection which is available to each investor through judiciously selected stocks. If it were not for the war, clear evidence of the added attraction of equities in a period of rising prices would undoubtedly have been seen long ago.

One opinion heard recently was to the effect that corporate assets were growing much faster than earning power. Even if earnings did hardly rise to justify better share prices, desire to own a portion of these improving assets would turn investors toward equities as a protection against loss of earning power or capital.

Going After Business

Old time passive methods of distributing securities through exchanges seem no longer adequate. It used to be that stock exchange members could sit back and wait for the public to seek them out and buy the stocks they had for sale. But volume of trading adequate to provide a living for all those dependent on the investment business has turned up only sporadically now since the 1920's and there is but little hope that this condition is going to disappear in the near future.

That there exists plenty of investment capital that is willing to buy stocks of investment grade, however, is evident from success met in offerings of large blocks of stocks taken over from British holders and resold in this country or the United States.

Just recently the offering of 56,943 shares of Consolidated Mining & Smelting stock was absorbed by Canadians. A large block of Bell Telephone stock was similarly sold a while ago and other examples could be given. In the United States there have been far more cases of such offerings than in Canada.

The point is that such offerings a few years ago could have been worked off through the stock exchanges but that is no longer the case. It now requires merchandising to sell large blocks of listed securities but, when properly sold and placed in hands where they are likely to stay more or less permanently, markets can be found.

Just recently recognition of these fundamental changes in the stock business resulted in the formation of the Association of Stock Exchange Firms in New York. It plans to become national in scope and take the lead in modernizing the stock exchange business. Formed outside of the exchange itself, it is thought this body can do a better and more effective job than could the exchange. It is possible that it may mark the start of a new era in stock exchange history.

There is little basic difference between the two countries and perhaps Canadian stock exchange members should try thinking about something similar, to bring their business back.

Liquor Companies

Accelerated buying of wines and spirits in the United States is reported in anticipation of the $1 a gallon tax rise which went into effect Oct. 1. The last previous tax rise, in June, 1940, resulted in sales increases up to 100% above normal, it is reported. Indications are that the last of September saw liquor sales up to pre-Christmas level.

Such conditions will affect the sales and earnings figures of Canada's big liquor companies, Distillers Corp.-Seagrams and Hiram Walker-Gooderham & Worts. They will likely be followed, however, by a slump in succeeding weeks, judging by what happened in July last year following the previous tax increase. This probably temporary sales spurt may not affect the years just ended for these companies. Distillers - Seagrams' year ended July 31 and Walker's on Aug. 31.

Tax-paid withdrawals of spirituous liquors in the U. S. in August totalled 13.1 million gallons, more than double the 6.2 million gallons withdrawn August last year.

Whether or not Distillers-Seagrams can overcome the decline of about $3 millions in profits shown for the first nine months of the year just closed and report a gain for the full year seems rather doubtful. But for Hiram Walker it is quite likely that the year ended Aug. 31, 1941, will be found to show a good sized gain over the preceding period when $7.60 a share was earned. This latter company showed a small gain for the first nine months of this year.

Sales of both companies, however, have been rising rapidly and they have apparently well maintained their position among the "big four" of the U. S. liquor industry. Prices of their securities have reflected the improved outlook.

Can. Breweries Cuts Debt $300,000

Canadian Breweries Ltd. reports the retirement of a further $300,000 of its 5½%, series A, debentures due 1946. This reduced amount of this series outstanding to $700,000. Funds for this purpose have been released by the trustee for the debentures with the consent of the majority of the holders.

After this reduction, the company's funded debt is $1,550,000, as compared with $2,025,000 at the end of the last fiscal year.

B. A. Oil Sales Still Rising

British American Oil Co. reports sales of its product above those of the corresponding period of last year, as has been the case with the industry generally, according to J. C. Millar, treasurer. Much of this is due to wartime use of petroleum products and requirements for all fighting unts are rising daily. With a prospective shortage of transportation facilities, this can only be satisfied by reduction of non-war uses, he adds.

Contruction of the new lubricating oil refinery near Toronto is proceeding and will make available a wide range of products refined in Canada, thereby releasing for direct war purposes foreign exchange. Mr. Millar refers to the "friendly and harmonious relationship which exists between management and employees."

Pro's and Con's of Massey-Harris Plan

Post Reports Questions Shareholders Are Asking

Massey-Harris Co. shareholders are asking three or four major questions in deciding whether they are for or against the capital reorganization proposals advocated by the directors.

They may be summarized as follows:

1. Why is a plan of reorganization brought on at this time and is this the most advantageous time to carry out such changes?

2. What are the advantages or disadvantages of the proposals as outlined, both from the standpoint of the company itself and the two classes of shareholders?

3. Are the different interests—preferred shareholders, common shareholders and the company itself—treated fairly by the scheme?

The plan proposed would give, for each present $100 par 5% preferred plus arrears, four new 6¼% preference of $20 par and three new common shares. For each two present common shares one new share would be given.

Discussing the first question with The Financial Post, some shareholders mention the decidedly unsettled conditions during a major war involving directly over half of the company's markets and indirectly all of them. They are wondering as to the postwar position of the company and of the agricultural equipment industry as a whole. They ask what part direct war output is playing in the company's current earnings and production picture. They seek knowledge as to the present and prospective effect of taxes of all kinds.

No definite answers can be secured to all these queries.

Shareholder Pressure

Company officials and some shareholders say selection of the present time to present a plan for recapitalization and elimination of preferred arrears is due to pressure from shareholders themselves. Both preferred and common shareholders have taken part in this. They cite the evidence of the last annual meeting, and other hints which came up time after time over the past five years.

As a result of discussion at the annual meeting in March the company's directors found themselves committed to work out a plan, which they thought could be accepted, at the earliest possible date.

Period of Improvement

Massey-Harris seems now to be in a period of improvement in both scale of operations, earnings and liquid position, The Post is told. The current year, in spite of much heavier tax burdens—although it is doubtful if final basis has yet been established for E. P. T.—should show the company able at least to maintain earnings at last year's level and there seems good prospect that last year's $805,000 net will be exceeded. War production will be substantial although margin of profit on this type of work is small. Other demand has apparently been well maintained.

How long the war will last is something no one claims to know. Neither do they know what will happen afterward. But, citing the postwar period of 1918-1923, it is suggested that the immediate postwar years will mean a continuation of satisfactory operations for Massey-Harris, officials suggest.

Each year that passes means another $600,000 added to preferred arrears accumulations. Waiting until the end of the war might add a million or more dollars to the $6 millions already accumulated, depending on how long the war lasts, and present that much harder obstacle to surmount.

These, in brief, are the arguments which, The Financial Post is told, influenced the decision to present a plan at this time.

Plan Objectives

Turning to the plan itself and its advantages or disadvantages, it is first of all necessary to define probable objectives to be attained.

1. It should pave the way for resumption of income to shareholders who have received nothing for 11 years. This means eliminating the balance sheet deficit and leaving the company in such a financial and earnings position to pay dividends required.

2. It should permit any further strengthening needed in the company's position, particularly as regards working capital.

3. It should provide a setup which makes recurrence of accumulations at least unlikely.

The proposals now presented would eliminate the deficit of $21¼ millions as at Nov. 30, 1940. This would be done by reducing the stated balance sheet values for the capital stock as shown by the following figures:

Stated Capitalization

	Present $	Proposed $
120,899 pf., 5%, $100 par	12,089,900	
483,596 pf., 6¼%, $20 par		9,671,920
739,622 no par com.	26,774,752	
732,508 no par com.		4,761,302
Total	38,864,652	14,433,222
Total capital reduction		$24,431,430
Applied toward:		
Balance sheet deficit		21,264,688
Additional reserves:		
Against Australian invest.		753,536
S. A. profit transfer tax		207,000
Leaving balance sheet surp. of		2,206,207

This surplus would not be available for payment of dividends so long as any of the company's bonds remained outstanding, the plan provides.

While book value of the proposed new preference would be cut by $2.4 millions, holders of present preference would get approximately half of the new common, or the equivalent of almost the entire book write-off. They would also give up their claims to arrears which will total $55 a share at Nov. 30 this year, or $6.6 millions.

Working Capital

Does the plan permit any needed strengthening of the company's working capital?

On the basis of volume of business being done a year ago, Massey-Harris management estimates that working capital existing at Nov. 30 last of $22.8 millions should be adequate. But on the basis of today's volume, they say it is not as adequate as might be wished.

For one thing, materials have to be bought farther ahead and bigger stocks kept on hand to assure regular operations. It is not enough to have materials ordered from their supplier; they must be actually on hand under today's conditions of delayed deliveries and rising volumes.

Moreover, Massey-Harris does not have enough actual cash since the heavy losses of the 1930's, shareholders close to the picture and company officials say. Last year cash of $1,987,407 was only $67,000 more than bank loans and this represented a substantial improvement from a year earlier. It would help a lot if the company could accumulate a cushion of cash to carry it through any possible postwar readjustment and lessen its dependence on the banks.

Possible Sources

New cash working capital can, it is pointed out, come from earnings in excess of the proposed preference dividend requirements of $600,000 annually, or through the option which the proposals would give the management to pay dividends for the next five years in 5% debentures. The latter does not end the liability but only postpones it for a 20-year period and adds a 5% interest rate to any postponed divident liability.

Over the next six years, Massey-Harris will have serial maturities on its existing first mortgage bond issues as follows:

Serial Bond Maturities

	$
1942	500,000
1943	600,000
1944	600,000
1945	600,000
1946*	600,000
1947*	700,000
Total	3,600,000

*Includes $300,000 annual sinking fund on the 4¼% bonds, due 1954.

Over the five-year period when the company has the option of paying preference dividends in debentures, it could issue up to $3.2 millions of these debentures if all dividends were paid in this way. Thus its net position as regards funded debt would not change materially as redemptions of existing bonds would offset any issue of new debentures. There would, it is admitted, be a certain increase in interest charges due to the 5% rate on the proposed debentures as compared with a maximum interest of from 3¼% to 4¼% on existing bonds.

If all of these debentures were to be issued, the company would find itself with annual liabilities from preferred dividends at the end of the five-year period of $604,000, plus interest on the new debentures of $156,000. Its actual potential burden would be increased by the latter amount from present levels.

Depends on Earnings

Whether or not any such accumulations would develop will depend on volume of earnings during this period. The new preferred is to be cumulative at a minimum of 75 cents a share, or $362,697, annually. The maximum rate would be $604,000 but this would only accumulate if earned. While arrears may be funded during the next five-year period to the maximum of $3 millions, if earnings were such as to make payment in debentures advisable, it is doubtful if accumulations would be at the maximum rate.

An additional possible advantage in getting the company in the clear again financially is mentioned by company officials although they admit this can hardly be measured in dollars and cents. There is a possible weapon for competitive salesmen to use in pointing to the large deficit, implying that Massey-Harris' ability to continue to give service on its products may be lessened thereby.

Fairness of Proposals

The question of whether or not the proposals treat all parties fairly is one that different parties answer from different standpoints. Most of the arguments from the standpoint of the company itself have already been mentioned but the two classes of shareholders have something to say for themselves.

Preferred shareholders do not sacrifice any income. The 6¼% to be paid on their new shares equals the 5% accruing, but not paid for 11 years, on existing shares. An exception exists during the preliminary five-year period as explained above. Subject to this exception, preferred shareholders will still get the equivalent of their $5 a share on present stock and the company will have its preference dividend requirements unchanged.

For their arrears, preferred shareholders get three new shares of common stock. At present tentative prices for this new stock, on an if, as and when issued basis, this is equivalent to about one quarter of their arrears in cash if they choose to sell the new common. Not all could do this, of course, without seriously affecting the market but the option is open to most. If they decide to stick with the company and hold their new common, they may realize more or they may not, depending on changes in market values. They get voting privileges in two ways—through the new common they receive and through the privilege of electing one quarter of the board of directors. They would get approximately half of the new common.

Surrender Equity

Common shareholders point out they give up half of their equity when they receive one new share for each two held and the balance goes to the preferred. In return they see the liability for $6 millions of preferred arrears ended although there is a potential new liability arising out of the possible use of debentures to pay dividends.

Heavy write-offs have already been taken by the company when properties in Europe were written down to $4 and provision made for other reserves on Australian investments and South American profits. Provision for losses on receivables have also been heavy in recent years. Bond discount was written off in a lump sum in 1939. All of these write-offs, and a proportion of the reserves, were added to the existing deficit and this is now to be written off against capital which largely means common share capital. Perhaps not all of these potential losses will be realized in the end as some recovery may be made after the war. Such recoveries would probably be added to surplus at the time realized and this would belong to shareholders as a whole but not exclusively to common shareholders, it is pointed out.

What is Alternative

How long would it take for common shareholders to see some prospect of dividends if no reorganization were carried out now? Naturally this would depend on earnings, but several things would have to be accomplished.

The present $21 millions deficit would have to be wiped out at a rate depending on yearly earnings but probably not averaging more than $1 million a year. It would seem that on this basis, few present shareholders would see any dividends as preferred arrears of an unknown number of millions would also be ahead.

Suppose shareholders could be induced to accept a simple scheme which would leave relative shareholders undisturbed and only write off the deficit against capital, is a proposition presented to The Post. This would mean junior capital, or the common stock, but would not alter the common shareholders' position. It does not matter what the balance sheet figure may be; it is claims on earnings that counts in this case. Then there would remain the preferred arrears of $6 millions. Payment at the rate of one year's dividends, plus a year's accumulations annually would require $1.2 million, a rate of earnings not experienced since 1929. This would need another three or four years to wipe out arrears.

The conclusion advanced is that common shareholders would perhaps be ahead if they have the patience to wait for earnings to wipe out prior claims but it would mean quite a strain.

Tax Picture

The question of taxes also enters into the picture. No one with whom The Post talked expects that existing heavy taxes would end even if the war ended this year. They count on facing high taxation for some time to come. This makes it difficult for a company to accumulate surplus earnings, or cash, to catch up on heavy past burdens.

Massey-Harris does not know exactly what its tax burden will be as it seems to have a logical reason to appeal as a depressed industry for a special E. P. T. ruling. Writing down its capital makes an appeal even more necessary. How much of the losses mentioned will be permitted as reductions of taxable income is apparently still to be determined.

It still remains for each shareholder to determine what his individual action on this plan must be. Many other points could be discussed but the major ones, as brought out by questions asked The Financial Post, have been studied and discussed with various parties.

It is still apparently too early to have much inkling as to whether or not the plan will be accepted at the meetings on Nov. 26 and 27. Company officials intimate that proxies are coming in steadily and that relatively few shareholders have voiced objections as yet but admit perhaps the final word has not yet been heard.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., matei. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.3	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	72.0	59.5	67.5	48.0	101.1	90.1	87.8	74.9	62.0	89.0	67.1	64.0
July	76.3	66.1	67.5	48.4	105.7	90.5	94.3	77.8	65.3	89.7	70.6	67.5
Weekly Figures:												
Aug. 7	77.2	70.4	71.3	49.8	107.9	91.4	95.5	80.0	64.6	89.6	71.5	68.1
Aug. 14	76.3	67.5	71.8	43.7	105.2	91.3	94.0	79.0	64.4	89.8	71.2	67.5
Aug. 21	77.2	68.6	74.5	49.0	105.9	92.2	94.9	78.3	63.7	89.6	70.8	67.7
Aug. 28	76.5	74.2	72.0	48.8	106.2	92.4	98.3	80.4	64.9	89.7	71.4	68.0
Sept. 4	78.4	78.1	72.8	49.0	107.1	92.6	101.2	81.5	67.3	90.2	73.9	69.2
Sept. 11	80.0	78.1	73.0	50.8	109.6	94.0	102.6	82.5	68.3	91.1	74.6	71.3
Sept. 18	82.5	81.5	75.4	54.3	109.7	94.5	105.2	84.1	70.4	91.7	76.2	73.1
Sept. 25	80.7	76.1	75.3	50.3	108.1	92.5	100.9	81.5	68.2	91.8	73.5	70.1

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 30	97.38	99.59	71.85	19.85
Sept. 29	97.21	99.53	71.86	19.91
Sept. 27	97.44	99.80	72.13	19.92
Sept. 26	97.28	99.84	72.08	19.76
Sept. 25	97.60	99.40	71.80	19.45
Sept. 24	98.23	99.94	71.96	19.68
Month ago	94.51	101.21	70.20	19.50
Year ago	102.99	98.08	68.53	22.96
High 1941	105.48	109.76	75.30	21.62
Low 1941	85.87	88.68	59.80	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Sept. 30	47.5	64.2	58.6	84.70	72.68
Sept. 29	47.7	64.1	58.6	82.96	72.93
Sept. 27	47.2	64.0	58.4	81.32	72.98
Sept. 26	46.9	64.0	58.3	79.59	72.98
Sept. 25	46.7	64.0	58.2	80.55	73.05
Sept. 24	47.0	64.8	58.9	83.27	73.28
Month ago	45.1	63.9	57.6	84.87	71.74
Year ago	56.7	69.0	64.9	88.42	73.33
High 1941	54.3	66.6	62.3	88.90	79.99
Low 1941	42.1	52.3	49.3	58.96	67.28

British Columbia Debt Is Cut $5.5 Millions

Redemption on Oct. 26 of $2 millions of 6% bonds issued 20 years ago, will bring to $5.5 millions British Columbia's total reduction in net debt in the past year. Since Oct. 1, 1940, the province has retired a total of $29.6 millions of debts, including $2¼ millions owing to the Canadian Bank of Commerce.

In announcing the latest redemption, Finance Minister John Hart has issued a summary report of the financial developments of the period since Nov. 1, 1933, the office tenure of the present government.

Chaotic Finances

At the beginning of the period, the province's credit was at its low point. Accumulated deficits of $7,497,128 were unfinanced. Bank accounts were overdrawn to the extent of $1,009,509. A revenue shortage of $792,151 existed. Cheques had been written for $314,953 which could not be issued for lack of funds and the province had committed itself to a further $857,000 from current account.

Net effect was to destroy the province's credit at the banks and in the market, at a time when migration of unemployed to the province was adding to the burden of the already severe domestic unemployment situation. In addition, the government departments which had to cope with these problems had been reduced to skeleton staffs which made increases inevitable if government were to continue to function.

Budget for Surplus

To overcome this financial problem, expenditures were curtailed, and kept within the limits of ordinary revenues. Some of the sinking fund payments on the provincial debt were deferred and unemployment relief was largely financed by borrowings from the Dominion government. This added to the provincial debt at first, but brought operating surpluses totalling $29 millions in the eight-year period.

First surplus recorded was $211,775 for 1933-34, an amount which was stepped up to $7,377,194 for the year ending March 31, 1941, in which year provincial revenues reached an all-time peak of $36,253,936. With these surpluses the province has cut gross debt $2 millions below the level of Nov. 1, 1933—from $166,998,596 to $164,927,283.

Relief Debt $25 Millions

Had it not been for the burden of unemployment relief, Mr. Hart states, British Columbia's debt would have been lowered a further $24.9 millions, the amount borrowed by the province in financing its total $37.[illegible] millions relief bill. Total borrowings since 1933 amount to $43.5 millions, in which relief financing was the main item, followed by $7.5 millions for highways and $4 millions for the Pattullo bridge.

In the eight-year period, net debt, after deducting sinking funds on hand, has risen $8.9 millions to $143.7 millions. Mr. Hart points out that for this increase in net debt, the province can show $7.5 millions of highways built, and the Pattullo bridge over the Fraser, both designed to stimulate tourist traffic and hence provincial revenues.

Credit Restored

Retirement of $29.6 millions of debt in the past year has saved the province $1,225,525 in annual interest charges, reduced annual sinking fund requirements $421,630. Gradual reduction in debt and debt charges has greatly improved the province's credit.

Mr. Hart points out that the average rate of interest paid by British Columbia has been reduced from 4.7332% in 1933 to 4.17%. In the open market, B.C. 12-year 4½% debentures which were quoted at a yield of 5.67% in 1933 now sell to yield 3.72% a drop of 1.95%.

Commenting on the province's role in the war effort, Mr. Hart stated that British Columbia has shouldered the entire Dominion share of the relief burden, amounting to $1 million annually, leaving the share of the municipalities unchanged at 20% of the gross bill. When Hon. J. L. Ilsley made his budget proposal for the provinces to vacate the field of personal and corporation income taxes, British Columbia was the first province to accept the principles of the offer and has since been studying the detailed aspects of the transfer. Says Mr. Hart of British Columbia's response to the Dominion call:

"In British Columbia the distinction in interests is perhaps greater than elsewhere throughout the Dominion. The very magnitude and diversity of our natural resources have given to a great many a strong feeling of separate identity.

"Despite dividing economic factors, however, there is in British Columbia a Canadian national consciousness and tradition that transcends sectional interest. The depression and the present armed conflict have brought us a new appreciation of the real nature of our economic problems and every effort of the government has been toward a policy which would strengthen more fully and permanently the bond of Confederation and unity that is to prevail in this great Dominion."

Budget Surplus — Low Debt
Interest Return 3.75%

The Province of Quebec has shown excellent financial progress by recording a surplus of $3,613,000 on ordinary account for the nine months fiscal period ended March 31st, 1941, after providing for unemployment relief expenditure and a $4,063,000 Sinking Fund appropriation.

The Province of Quebec has a lower per capita debt than any province except Prince Edward Island.

New Issue

Province of Quebec

3½% Sinking Fund Debentures

Due October 1st, 1953

Price: 97.50 and interest, yielding 3.75%

Descriptive circular upon request.

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HEADS NEW FIRM

Goodwin R. Harris heads the new Toronto Stock Exchange member firm of Goodwin Harris & Co., with Roy V. Bullock as partner. Mr. Harris formerly was senior partner in the firm of Seagram, Harris & Bricker. This partnership was dissolved as of Oct. 1 and W. R. Bricker takes over, under the name of W. R. Bricker & Co., the office formerly operated in Kitchener.

C. P. R. Profit At Best Level In Ten Years

From Our Own Correspondent

MONTREAL. — Net earnings of the Canadian Pacific Railway Co. for 1941 are, from present indications, likely to be the best since 1930 when the company earned $2.48 a share on the ordinary stock.

To the end of August, net operating revenue of the company was sufficient to cover fixed charges.

This position was not reached in 1940 until the end of November.

For the first eight months this year the C.P.R. earned from railway operations over $26.2 millions. This contrasts with $17.3 millions for the like period a year ago, a gain of better than 52%.

All For Capital Stock

From now on, all net operating income, together with special income, will be available for distribution on the capital stock.

Income from special sources ought to be as large as in 1940 when it totalled $10.7 millions after setting up depreciation reserves for steamships and hotels.

Dividend requirements on the preferred stock aggregate just under $5.5 millions.

On a net basis, then, the company already has about $5.2 millions to apply toward the ordinary stock, of which 13,400,000 shares are outstanding.

Should be Big Year

Added to this $5.2 millions will be net railway revenues for the last four months of the year.

From September to December, 1940 the Canadian Pacific earned from rail operations $18.3 millions.

The fall months are the big revenue producing months of the railway. This year the company will be faced with the prospects of moving a light wheat crop. On the other hand, with grain elevators loaded, there should be just as large a movement to the seaboard. In addition other types of freight handled, such as manufactures, pulp and paper, etc., should not show any decline from the high of recent months.

The only type of freight loaded on Canadian railways to show a decline in loadings this year is coal. This situation is not likely to be corrected during the balance of the year. However, the decrease in loadings of coal is of more concern to the Canadian National than to the Canadian Pacific.

Larger Share Earnings

Even if the Canadian Pacific does not record any increase and simply maintains net rail earnings from September to December, the amount available on the common stock would approximate $23.5 millions. This would be equal to around $1.75 a share.

Prospects are more encouraging. To the end of August net operating income was about 52% ahead of the like period of last year. While the rate of gain may not hold, still it is reasonable to anticipate net income well above that of a year ago.

Could Earn $2 a Share

An increase of 25% in rail earnings over that reported for the last four months of 1940 would give the company nearly $4.6 millions more to apply to the common stock, or about 34 cents a share.

Market Opinions

Little encouragement to abandon the cautious note seen in stock market comment recently was found last week.

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Barron's, N.Y. (The Dow Theorist)—While the Dow-Jones average of 20 railroad stocks last week broke through the bottom of the range within which it had been fluctuating most of the summer, the average of 30 industrials held within its summer range. A break by both averages out of the range, whether up or down, would indicate the direction of the secondary trend. The primary trend is still considered as down. Action of the market, judged by the fact that no heavy liquidation was dislodged, was not such as to arouse serious fears about its stability.

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Barrons, N.Y. (The Trader)—Still on the defensive for the short pull is the stock market until some development clears the air. The likelihood of a serious decline, however, still appears quite remote in view of the excessive liquidity on all sides and the continued extremely favorable ratio of stock returns to bond yields.

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Magazine of Wall Street, N.Y.—The averages hold well, anything worse than relatively moderate reaction seems improbable and many individual equities are managing to advance. Discriminating purchases are warranted, though a reasonable reserve of liquidity should be maintained.

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Financial World, N.Y.—With the welter of confusion that has been prevailing—not only in the minds of investors, but also in high quarters—it is perhaps not surprising that the stock market has not been able to register any significant net progress over the past two and a half months. In fact, its ability to hold within the narrow range that has been witnessed should itself afford grounds for encouragement.

Average prices are only a little over eight times current earnings, average common stock yield is around 6% from a dividend rate that is being covered by an adequate margin, and as measured by all accepted standards this combination presents an attractive picture for the investor.

Such a situation does not make for important liquidating movements. On the contrary, rising living costs and increasing personal taxes will sooner or later bring good yielding stocks into growing demand, and whatever the intermediate price movements ahead, the owner of well selected issues appears to occupy a strategic position.

The City of Saint John is interested in the establishment of a system of bus transportation therein to replace or in addition to its present street railway system.

Interested parties are asked to submit proposals in this connection before October 20th next to H. D. Hopkins, Common Clerk, City Hall, Saint John, New Brunswick.

Bond Markets

Canadian Bonds Rise On Refunding Rumors

Dominion's Possible Return to New York Money Market Boosts U. S. Confidence — Abitibi Trading Basis Settled

Renewed strength in Canadian Government and guaranteed obligations in the New York market take on added significance in face of the continued weakness in that market.

While the Canadian issues reached new wartime highs, the Dow-Jones average of 40 bonds dropped to the lowest point since August, 1940, brushing past two minor decline points on its way. The average is now nearly three points below its recent highs.

The immediate explanation being generally offered The Financial Post for the strength in Canadians has been the rumor of Canadian refunding of external payment issues now traded in New York, and the possible return of the Dominion as a new borrower. Since Canadian government issues are still 15 points and more below first grade corporation issues in the New York market, any improvement in confidence rapidly reflects in market quotations.

If Canada were to re-enter the New York money market, it could presumably be only with Washington approval.

New York Buys Direct

Receptiveness to the favorable market implications of possible Dominion refunding operations is a healthy sign for the New York bond market. It would appear to indicate that the softer tone of Wall Street quotations will not be of major extent. It seems improbable that such pronounced strength would develop in Canadian issues if a major decline were in prospect.

The New York buying has made itself felt directly and indirectly in the Canadian markets. U. S. buying is stated by bond dealers to account for much of the recent sustained strength in this new Minnesota and Ontario Paper Co. income mortgage bonds. The rise in Canadian external payment bonds on the domestic market is also attributed to outside buying in some circles. The new U. S. income taxes provide an incentive for accumulating higher-yield securities, while the increasingly close ties between Canada and the United States have greatly reduced the risk of further exchange complications.

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Trading the Abitibis

So far there does not appear to be any slackening in the drive to acquire higher yields and capital appreciation through the purchase of discounted corporation issues. In the past week Abitibis have added some 3 points to their already strong quotations, and other gains have appeared throughout the list of this class of security.

Approaching payment of the capital disbursement on the Abitibi bonds on Oct. 15 will leave them with a face value of $870 per $1,000 bond. Owing to the complexity of trading in the odd amount, the bonds will still be regarded for trading purposes as being in units of $1,000 and $500, despite the fact that their true face value will be 13% lower. If further principal repayments follow, the same practice will probably be adhered to. Since no interest can be paid on the bonds until principal is repaid, no problem of accrued interest will arise in trading the bonds until the company is reorganized or principal wiped out.

The question of bondholders' rights to payment in other than Canadian funds will likely remain in abeyance until final settlement. As the matter stands, all bonds outstanding will receive payment in Canadian dollars, and all in theory carry a potential claim for adjustment of this amount into U. S. dollars. Aside from Foreign Exchange Control regulations, it appears that there will be no difference between the Abitibi bonds traded in Canada and those abroad.

Niagara Power Deal Headed for Increase

Larger U. S. Diversion Likely as Canadian Demand Encroaches on Hydro's Exportable Surplus

Ratification of the June 12 Niagara water-diversion agreement between Canada and the U. S. confirms the status that has existed since that date, but falls considerably short of the potential diversion which increasing war demands may bring.

The Federal Power Commission authorization covers the additional 3,000 cubic feet per second diverted on June 13 to Canada, and the 5,000 c.f.s. simultaneously channelled into the turbines of American plants. Total increased take of the Ontario Hydro is now 8,000 c.f.s., taking into account the diversion of 5,000 c.f.s. last November, in advance of replacing a like amount of water from the Ogoki diversion.

Position now is that Hydro is taking nearly the amount of water for which a ready, full-time power market exists. Hydro could take more if the night-time demand increased. On the U. S. side, a further 7,500 c.f.s. could now find a ready market and the rapidly increasing demand in defense plants promises to force a further upward revision in the U. S. allotment.

In addition to ordinary power exports, the Ontario Hydro is now sending some 60,000 h.p. of primary power across the border to Union Carbide Co. where it is used for the production of abrasives, largely for British account. Both British and U. S. authorities are insistent that this production is in the top rank of war essentials, but the growing demand of Canadian industry indicates that the export of this vital power may have to be curtailed. Most logical solution, although it has not been officially proposed, would be the diversion of additional water to U. S. power plants, and the retention within Canada of some of the currently exported energy.

At present a total of 69,000 cubic feet per second is being put through the power houses on both sides of the Niagara. Total flow of the river is estimated at 200,000 c.f.s.

The present increased U. S. diversion, 5,000 c.f.s., will produce 64,100 kilowatts of power. These have been allotted to various defense plants by the Federal Power Commission as follows:

Company	No. of Kws.
Aluminum Co. of America	1,200
Carborundum Co.	5,000
General Abrasive Co.	700
Great Lakes Carbon Corp.	3,400
Hooker Electrochemical Co.	2,400
Innis Spelden & Co.	100
Internl. Graphite & Electrode	2,000
National Carbon Co.	4,000
Niagara Alkali Co.	1,400
Niacet Chemicals Corp.	900
Oldbury Electro-Chemical Co.	1,400
Pittsburgh Metallurgical Co.	7,400
Titanium Alloy Mfg. Co.	4,200
Union Carbide Co.	16,000
Vanadium Corp. of America	14,000
Total	64,100

Increased production and earnings of Niagara Power Co. are subject to regulation by the Commission. Increased profits are earmarked for debt reduction, in line with the Commission's principle of converting present gains derived from Government action into future reduction of power costs to the consumer. It is expected that the present addition to the company's power output will bring an extra $1 million annually in profits.

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Says Western Business Better

Many Moving Out of Wheat Into General Production

The following article has been especially written for The Financial Post by a particularly well-informed Canadian observer who has first-hand knowledge of the situation in western Canada.

While the western Canada economy has not derived the benefits from war production that eastern Canada has, business is nevertheless brisk and generally speaking conditions are better than they have been for some years.

With some people in the west it is a sore point that western Canada has not received a larger volume of war orders, but most recognize that it could not be otherwise because of geographical factors, lack of essential raw materials, the absence of well equipped industrial plants and the lack of power.

There are, of course, a number of plants scattered throughout the west which are working at capacity on war orders and this has helped to ease the unemployment situation in the cities. This is especially true of Winnipeg and its suburbs where the industry in the west is largely concentrated. From the point of view of war orders, Saskatchewan has been perhaps the least favorably situated, but the Regina plant of General Motors is now being converted for manufacture of naval guns.

Big Factor in A.T.P.

A factor that is often overlooked is that the west plays a very big part in the British Commonwealth Air Training scheme and that there are a very large number of air fields scattered right across the prairie provinces. In addition, there are a large number of R.A.F. training schools. These schools have resulted in an influx of people into many localities in western Canada and without doubt they have resulted in brisker wholesale and retail trade. In fact, many former quiet towns are now a hive of activity. Because of its climate, Alberta has a large number of air training schools.

The situation in western Canada today is in sharp contrast with the somewhat pessimistic view of a year ago. When the 70c price for wheat and the quota system of marketing was announced in the summer of 1940, a shout of dismay went up from western Canada and it was predicted that the farmers would be ruined and that the western economy generally would receive a shock from which it might never recover. The dire results which were predicted never materialized and conditions in the west have been better than for a number of years. War activity and war production have been a factor in this, but the farm community, which is the backbone of western economy, has also been in a better position.

Quota Plan Success

Generally speaking, the quota system of marketing was a huge success though there may have been hardships in a few individual cases. Contrary to expectations there were no farmers who were unable to harvest their 1940 crop and the fact that farm income from wheat, the main cash crop, was spread out over 12 months was good. In point of fact, most people of western Canada are convinced that it would be a good thing if the farmers always got their income by installments throughout the year rather than in a lump sum in the fall as in the past. This spreading out of income has made it easier for the farmer to finance his operations and one of the results has been a decline in the demand for short-term credit. The fact that farm income has been staggered is the main reason why retail trade has continued brisk.

What has been the effect of spreading out farm income on mortgage collections?

Direct Benefit

It should be recognized that spreading out of income means the farmer is better off, and from the long term point of view anything that puts the farmers in a better position will have a beneficial effect on mortgage collections.

Generally speaking, mortgage companies did not suffer from the quota system of marketing and collections would have been only slightly higher if farmers had been paid for their wheat as soon as harvested.

The only basis of comparison is the crop year, and collections in the 1940-41 crop year in Manitoba were somewhat above the previous year. The companies operating in Saskatchewan report collections almost equal to 1939-40 and collections in Alberta showed improvement. It should be remembered, of course, that crops were better and farm income somewhat higher.

As far as acreage reduction is concerned, there is general agreement that this was necessary though there may be some disagreement as to the method of some of the regulations. In fact, there are many farm leaders in western Canada who feel that Ottawa has been "fooling around" with the wheat problem long enough and that it is time it did something to bring about a fundamental readjustment in western farm economy in line with the changed conditions. They recognize that the wheat problem does not arise out of the war and that Canada was headed for the wheat crisis even before war broke out.

Not So Badly Off

Generally speaking, the farmers in Western Canada are not as badly off as painted by many leaders of the farm movement. In fact, there are farmers who have made astonishing progress in shifting out of wheat production into other lines. It must be admitted, however, that there are a great many farmers who cannot make a decent living with wheat at 70c, and there is some force to the argument of the farmer that he is entitled to a larger return in view of rising costs.

One of the difficulties is that there are some inefficient farmers and many who are operating units which cannot hope to show a profit with wheat at 70c. It is, of course, possible to make money on 70c wheat and many farmers are doing it, particularly those operating large units with mechanized equipment. But many well-informed observers hold that the farmer with a quarter section in a wheat growing area cannot hope to make a decent living and it is even doubtful if a half section is a profitable unit.

Yet all legislation is designed to keep the small farmer on the land rather than let economic forces take their natural course. From the point of view of the national good and of the man itself, this is unfortunate. The average cost of producing wheat is being kept at a higher level than necessary and the small farmer is living on the fringe of, or partially on relief.

As for this year's crop nature has taken a hand and effected an even greater reduction in wheat production than the acreage reduction plan.

Manitoba has a good crop though the grade of the wheat is lower. Saskatchewan has a poor crop and the crop situation there might be described as spotty, some good districts intermingled with the bad. Results in the north, where crops are usually good, will be poor, while in the southwestern corner, which has not had a decent crop for ten years, there is a good crop. The crop in Alberta is poor although the Peace River district has a fair crop. Alberta wheat production will probably be about one-half of what it was last year.

Generally speaking the lot of the farmer in the purely wheat growing areas is not happy, but there are a large number of farmers who are making good money out of hogs and cattle. This applies especially to Alberta and Manitoba where mixed farming is more predominant. In fact, the farm situation in Manitoba is fairly good.

Feed Likely Problem

While a larger acreage of coarse grains was planted this year, the coarse grain crop is not good and in some sections of the west there may be a feed problem. Certainly, some farmers are going to have to find a means of buying feed for their hogs or they will not be able to carry them through the winter. There has been some agitation for lower freight rates on feed to Ontario, but in view of the increased hog production in the west it is doubtful whether the west will be able to ship feed east this year.

Expectations in official circles are that farm income in the west this year will be about the same as in 1940 when the amount to be paid out under the acreage reduction plan is taken into account. In addition, there are likely to be fairly substantial payments out of the Prairie Farm Assistance Act since a large number of townships qualify for the crop failure bonus. However, it is possible that relief payments will be necessary in grain growing sections of Saskatchewan where crop failures have been experienced.

Machine Sales Active

Machinery sales in western Canada have been fairly active this year. This can be attributed in part to a shortage of farm labor but it is also attributable to the desire on the part of farmers to cut costs by greater use of mechanized equipment.

What Would the People in Great Britain Think?

By BEATRICE M. HAMILTON
Librarian, The Financial Post

For the first time in eight years I was in western Canada in harvest time. The West looked more like the old West I had known in my youth. Great fields of stooked grain stretched for miles along the railway. But unless clear weather and sufficient help arrive, much of this harvest may not be harvested before the snow flies. This must be heartbreaking to the farmers who have for so many years existed mostly on fresh air and sunshine and next years' promises.

In southern Manitoba, rain, for which the farmers prayed in the years of drought, seemed to have fallen with a vengeance for weeks. Much of the grain has become blackened and when or if threshed will produce a very low grade.

Coupled with the weather has been a severe shortage of farm help. There are very few young men left in the small towns. Those that remained through the years of depression have mostly joined the armed services. Those who still remain are young men with wives and families in business for themselves or schoolteachers (Grade 12 students are now being accepted as schoolteachers because of a shortage).

Travelling back from a small town in southern Saskatchewan I came in a small local train (one passenger car). At each station, and we stopped at them all, were farmers looking for men. There were a number of men on the train, nearly all non-Anglo-Saxon—unskilled labor. Their conversations made it clear all of these men were out looking for more remunerative war work.

Farmers were offering them up to $45 a month and their keep.

The men listened to the farmers' pleas at nearly every station. They seemed delighted that there was so much work offered them and that they felt they could turn it down.

Time after time at station after station, their tragic little play was repeated: listening to the pleas of the farmers, laughing scornfully at the offers, leaving the farmers flat.

Of course, $45 a month is much more than farmers can afford to pay with grain prices as low as they are today and more than many a son of these same farmers is receiving in the armed forces.

It is discouraging to see crops rotting in the fields. I wonder what the people in Britain would think if they could see all this potential food going to waste.

Bond Sales

Arnprior, Ont.

Midland Securities Ltd. have purchased an issue of $14,900, 4% serial bonds of the Town of Arnprior maturing annually Sept. 15, 1942 to 1956 at 103.19. Issued for sewer construction, the purchase price represents a cost basis to the town of 3.55%. Tenders received for the issue included the following:

Company	Bid
Midland Securities Ltd.	103.19
Harris MacKeen Goss & Co.	103.13
Fairclough & Co.	102.62
Wood, Gundy & Co.	102.57
Dymen Anderson & Co.	102.57
J. L. Graham & Co.	102.15
Bank of Montreal	102.00
Frank L. Craig	101.80
Bank of Nova Scotia	101.00
Bell Gouinlock & Co.	100.60
Royal Bank	100.31

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Cap de la Madeleine, Que.

Paul Gonthier and Co., in association with Gairdner and Co., has purchased $85,000 Cap de la Madeleine Roman Catholic School Commission Bonds. The issue is made up of $42,000 4% bonds, due serially Jan. 2, 1943 to 1949 and $43,000 4½% bonds, maturing 1950-62.

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Cornwall Twp., Ont.

Roman Catholic Separate School Board of Cornwall Township has sold privately to Harris, MacKeen, Goss & Co., Toronto, an issue of $7,500, 4½% installment debentures. For building purposes, the debentures are to mature June 1, 1942 to 1956.

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St. Catharines, Ont.

Sale of $37,106 in 10-year installment debentures for local improvements by the city of St. Catharines was effected at a cost basis of approximately 2.70%, a rate that is believed to be an all-time low record for municipal financing in Canada of similar term. Dated Oct. 1, 1941, the 3½% debentures mature annually, Oct. 1, 1941 to 1951. A total of 21 tenders were received by the city, the issue going to A. M. Ramsay & Co., Toronto, with a bid of 104.17. Tenders received were as follows:

Company:	Bid
A. M. Ramsay & Co.	104.17
Imperial Bank of Canada	104.06
Royal Bank of Canada	103.96
Harris, Ramsay & Co.	103.94
Wood, Gundy & Co.	103.78
Bartless, Cayley & Co.	103.68
Fairclough & Co.	103.630
W. R. Bricker & Co.	103.539
Dominion Securities Corp.	103.51
Burns Bros. & Denton	103.267
Midland Securities Ltd.	103.19
Dyment, Anderson & Co.	103.16
A. E. Ames & Co.	103.05
Cochran, Murray & Co.	103.00
Gairdner & Co.	102.89
Harrison & Co.	102.79
R. A. Daly Co.	102.62
Mills, Spence & Co.	102.25
Matthews & Co.	102.06
Frank L. Craig	101.75
Bell, Gouinlock & Co.	101.57

I. A. C. Business Ahead of Last Year

From Our Own Correspondent

MONTREAL.—Volume of business handled by Industrial Acceptance Corp. currently continues to hold at a high level, with cumulative returns for the year to date being ahead of the like period in 1940. Reduction in the volume of business is expected to result from government measures to curtail civilian consumption, but so far any move along that line has not been reflected in the company's business.

Stock Markets Extend Hours

Montreal and Toronto Stock Exchanges have extended the daily trading session by one hour from 3 p.m. to 4 p.m. This step was taken due to the fact the New York Stock Exchange reverted to Eastern Standard Time over the past week end. As a result the final hour of each session in Montreal and Toronto will coincide with the last hour in New York. A similar policy was adopted by the Canadian exchanges during the winter months of last year.

Union Steamships Paying 25c

VANCOUVER. — Signifying improvement in the affairs of Union Steamships, Ltd., directors have decided to pay a dividend of 25 cents a share, equivalent of 5% on the par value.

The payment will be made Oct. 15 to shareholders of record Oct. 1. The disbursement represents about $40,000.

Since the company was acquired from English interests, chiefly the Welsford estate, by a group of Vancouver businessmen, the financial position of Union Steamships has steadily improved.

The company has retired its bank loan and preferred stock and out of earnings has purchased the fleet of Frank Waterhouse & Co. of Canada and two freighters from the Canadian National.

Bond Tenders

12 o'c. noon, Oct. 2, Canada Treasury Bills—$35,000,000 dated Oct. 3, 1941, payable Dec. 31, 1941.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Montreal Refrig.	■6%	1947	Dec. 1	par
Wood, A. & J.	*6%	1944	Oct. 1	103
H. Walker deb.	4¼%	1945	Dec. 9	102

■All outstanding balance. Company will purchase bonds prior to the redemption date at 102, including accrued interest.
*Drawn by lots $[illegible],500.

Clear Status of Sao Paulo

Referring to the announcement that under the order of President Vargas of Brazil, Sao Paulo Tramway, Light & Power Co. must continue the operation of its tramways in Sao Paulo, Brazilian Traction, Light & Power Co. has issued the following statement, explaining that the tramway sale has been postponed:

"The company's exclusive tramway concession was due to expire on July 17. More than four years previously the municipality was notified that the company did not propose to seek a renewal of the concession, at the same time offering assistance in its power to help the municipality in taking over the system and determining the best solution of its transportation problem.

"For many weeks prior to the expiry date active negotiations were proceeding between municipality and the company for the transfer of the tramway assets. These negotiations resulted in a tentative agreement satisfactory to the municipality and the company alike and all necessary steps had been taken to consummate the arrangement when an unexpected change in the State Government occurred, a new Interventor being appointed, who being opposed to the principle of government or municipal ownership of public utilities declined to ratify the arrangement agreed to by the municipality, and on his representation to President Vargas the decree referred to was passed. (The latter was an emergency measure only to provide for the uninterrupted continuance of the important service involved, and, of course, the company had no option but to obey the law.) The service therefore continues for the present under the same conditions as formerly, pending further developments and negotiations which are authorized by the decree."

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Arnprior, Ont.	Sept.	Midland Securities	4%	15-yr. ser.	$14,900	103.19	3.56%
Cornwall Township R. C. Schools	Sept.	Harris, MacKeen, Goss & Co.	4½%	1942-56	7,500	....	....
Parish of Lancaster, N.B.	Sept.	T. M. Bell & Co.	3½%	......	12,000	99.37	....
St. Catharines, Ont.	Sept.	A. M. Ramsay & Co.	3½%	1942-51	37,106	104.17	2.07%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Crocourt Gold Mines	Sept.	Draper Dobie & Co.	----	-----	300,000 shs.	10c.	....

October Dividend Cut Pares Year's Gain

October dividends to be paid by Canadian companies are apparently going to be over $4 millions under the same month a year ago, according to an estimate by The Financial Post. This decline is likely to be reduced before the end of the month, however, as later declarations become known. Last year, Canadian Pacific Railway Co. paid 2% in October requiring $2.7 millions.

In spite of this month's drop the total for the first ten months of 1941 is well above the corresponding portion of 1940 at $235 millions compared with $232.8 millions.

This month extras are being paid by Bralorne Mines, Cariboo Gold, Guarantee Co. of North America, Hollinger and Modern Containers. Canadian Canners is paying a participating dividend of five cents a share on its first and second preferred stocks. Canadian Bakeries has increased its payment on the preferred to $2.50 a share from the $2 a share paid in June.

Arrears of dividends are being reduced by Canadian Wirebound Boxes by 12½ cents a share, Easy Washing Machine is paying an extra of 17½ cents a share on preferred arrears, Hamilton Cotton is paying 25 cents and Sherwin Williams is eliminating arrears with a payment of $1.75 a share.

Canada Bread has established a new rate of $1.50 a share on its first preferred. Canada Iron Foundries is paying $3 which brings 1941 payments to $7.50 a share compared with $4.50 for 1940. Donnacona Paper has initiated payments on its A and B shares with 10 cents this month.

Loews' London Theatres is paying 27½ cents a share on its preferred which compares with the last previous payment of 25 cents in Nov., 1940. Extension Oil is making its final distribution on capital of 44.5 cents a share.

Canada Northern Power has reduced rate of payment on its common to 15 cents a share from the former 25 cent rate. Premier Gold is paying two cents a share instead of three cents. Dominion Coal has passed the payment ordinarily due on its preferred at this time.

Monthly Dividends

	1941 $	1940 $
January	23,026,402	22,938,309
February	10,655,895	6,779,319
March	27,821,583	28,740,412
April	23,823,789	23,487,730
May	7,230,853	7,927,144
June	58,275,666	58,518,502
July	26,855,735	27,675,919
August	9,938,960	6,920,483
September	27,599,095	25,783,812
October	19,848,594	24,036,274
Total	235,076,572	232,807,904

Summary of October Payments

	1941 $	1940 $
Dividends	19,848,594	24,036,274
Bond interest	32,513,000	34,490,000
Total	52,361,594	58,526,274

Dividend Payments
Industrials and Utilities

Company:	Rate $	Date	Amount $
Agnew-Surpass, pfd.	1.75q	1	15,333
Alta. Wood Pres., pf.	1.75q	1	3,816
Amer. Cyanamid, A, B	†.15q	1	392,754
Do., pref.	†.12½q	1	106,857
Assoc. Breweries, pf.	1.75q	1	12,492
Belding-Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	2q	15	1,658,678
Biltmore Hats	.15q	15	12,000
Brant. Cordage, pf.	.32½q	15	11,985
Brazilian Tr., pfd.	1.50q	1	5,901
B. C. Elec. Pwr., pfd.	1.50q	1	75,000
B. C. Power, A	.50q	15	500,000
B. C. Tele., 1st pfd.	1.50q	1	15,000
Brompton Pulp	.25q	15	75,000
Building Products	.17½q	1	84,592
Burlington Steel	.15q	1	21,000
Canada Bread, 1st pfd.	1.50q	1	18,750
Do., B. pref.	.62½q	1	15,625
Canada Iron	3s	1	47,967
Do., pref.	3s	1	116,334
Can. Nor. Power	■.15q	25	60,000
Do., pref.	■1.75q	15	96,250
Canada Packers	1q	1	200,000
Can. Bakeries, pfd.	2.50	1	22,825
Can. Breweries, pfd.	.75q	1	122,400
Can. Canners	.12½q	1	17,223
Do., 1st pref.	.25q	1	47,719
Do., participating	.05	1	9,543
Do., 2nd pref.	.15	1	54,559
Do., participating	.05	1	18,186
Canadian Car, pfd.	.44	10	123,200
Can. Converters	.50q	31	8,667
Can. Cottons	1q	1	27,135
Do., pref.	1.50q	1	54,922
Can. Fairbanks, pfd.	1.50q	15	17,517
Can. Gen. Electric	2q	1	377,690
Can. Industries, A, B	1.50q	31	1,045,417
Do., pref.	1.75q	15	81,375
Can. Westinghouse	■.50q	1	273,000
Can. Wire. Box, A	.37½q	1	19,093
Do., arrears	.12½	1	6,364
Carnation, 1st pref.	†1.25q	1	36,698
Celanese of Am. pr pf	†1.75q	1	288,431
Comm. Alcohols, pref.	.10q	15	5,000
Cons. Bakeries	.15q	1	47,760
Cons. Sand & Gr., pf.	2	15	14,708
Consumers' Gas	2q	1	291,104
Dom. Foundries, c.	.25	1	91,253
Dom. Glass	1.25q	1	53,125
Do., pref.	1.75q	1	45,500
Dom. Textile	1.25q	1	337,500
Do., pref.	1.75q	15	33,960
Donnacona Pap., A, B	*.10	1	37,657
Eastern Steel, pfd.	.25q	1	4,500
East. Twp. Tele.	.25q	15	2,638
Easy Washing, pfd.	.17½	1	1,125
Do., arrears	.17½	1	1,125
Fanny Farmer	†.37½q	1	136,894
Foundation Co.	.25	17	21,150
Gatineau Pwr., 5% pfd.	1.25q	1	152,450
Do., 5½% pref.	1.37q	1	47,950
Gordon & Belyea, pf.	1.50q	1	1,882
Goodyear Tire	.62q	1	159,501
Do., pref.	.62½q	1	74,425
Gould Pumps, pref.	†2	15	14,950
Gt. Lakes Pap., A, B, p.	.25	1	50,000
Gt. Lakes Power, pf.	1.75q	15	13,125
Greening Wire	.15q	1	28,500
Hamilton Cotton, p.	.50q	1	9,152
Do., arrears	.25	1	4,576
Hart Battery	.05	31	2,500
Hinde & Dauch	.12½q	1	37,491
Honey Dew	.50q	1	10,323
H. Smith Pap., pfd.	1.50q	15	107,554
Inter. Bronze	■.37½q	15	37,500
Do., pref.	■.37½q	15	37,500
Inter. Milling, pfd.	†1.25q	15	69,216
Inter. Power, pfd.	1.75q	1	140,000
Jam. Pub. Serv.	.17q	1	22,950
Do., pref.	1.75q	1	13,125
Lake of W. Mill, c.	.20	1	29,537
Lang, J. A.	.17½q	1	17,500
Loews London, pfd.	.27½	1	9,278
Maple L. Gdns., pf.	.40	15	31,687
Maritime Tele.	.20q	15	77,062
Do., pref.	.17½q	15	26,250
Mod. Containers	.20q	1	5,000
Do., extra	.10	1	2,500
Do., pref.	1.37½q	1	4,125
Mtl. L. H. & Pwr.	.37q	31	1,660,885
Montreal Telegraph	*.43	15	21,500
Moore Corp.	.55½q	1	230,911
Do., pref., A, B	†1.75q	1	55,555
Murphy Paints	.20q	1	13,760
Do., pref.	1.37½q	1	5,500
Nan.-Dune. Util	.25s	1	18,750
Nat. Breweries	.50q	1	360,686
Do., pref.	.44q	1	48,840
Nat. Grocers, pref.	.37½q	1	55,418
Nat. Steel Car	.50q	15	87,689
N. B. Telephone	.12q	15	76,465
Niagara W. Weav.	.50q	1	57,500
Nor. Ont. Power	■.20q	25	48,006
Do., pref.	■1.50q	25	37,474
N. S. Lt. & Pr., ord.	1.50q	1	51,784
Ogilvie Flour, c.	.25q	1	150,000
Ottawa Car	.20	15	18,000
Ottawa Electric	.30q	1	10,559
Ottawa L. H. Pr.	.15q	1	20,991
Do., pref.	1.25q	1	21,250
Page-Hersey Tubes	1.25q	1	217,845
Porto Rico Pwr., pf.	1.75q	1	17,500
Power Corp., pfd.*	■1.50q	15	75,000
Do., 2nd pref.	■.75q	15	75,000
Price Bros., pfd.	1.37½q	1	86,400
Provincial Paper, pfd.	1.75q	1	61,250
Remington Rand	†.20q	1	348,807
Do., pref.	†1.12½q	1	208,047
R. S. Mills, A	.50q	1	15,000
St. J. Drydock, pfd.	1.37½q	1	4,761
St. Law. Corp., A pf.	.25q	15	73,329
St. Law. Paper, pref.	.50q	15	69,900
Sher.-Williams, pfd.	1.75q	1	60,550
Do., arrears	1.75	1	60,550
Silverwood Dairies	.20	1	35,319
Do., pref.	.20s	1	29,000
South. Can. Pwr., pfd.	1.50q	15	106,333
Stand. Fuel, pfd.	1q	1	11,860
Stand. Paving, pf.	.31¼	15	16,361
Stand. Radio, A, B	.10	10	21,500
Stedman Bros.	.15q	1	13,500
Do., pref.	.75q	1	4,500
Tamblyn	.20q	1	22,400
Do., pref.	.62½q	1	3,750
Tip Top Tailors	.15q	1	18,000
Do., pref.	1.75q	1	17,717
Tuckett Tobacco, p.	1.75q	15	35,000
United Fuel, pf. A	.75q	1	67,500
Viau, pref.	1.25q	1	11,825
Wabasso Cotton	.50q	1	34,951
West. Koot. Pr., pf.	1.75q	1	8,750
Western Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, George, c.	.20q	1	80,884
Wilsil	.25q	1	33,925
Willson Stat., pfd.	1.25q	15	5,000
Total			12,619,540

Mining Companies

Company	Rate	Date	Amount
Bralorne Mines	.20q	15	249,400
Do., extra	.10	15	124,700
Broulan Porc.	3q	30	80,820
Buff. Ankerite	.10	1	70,167
Cariboo Gold	.04q	1	53,332
Do., extra	.02	1	26,666
Dome Mines	■.50q	20	973,334
Hollinger Cons.	.05	7	246,000
Do., extra	.05	7	246,000
Kerr Addison	.05	28	236,515
Kirkland Lake	.05s	29	266,334
Lamaque Gold	.10q	1	300,000
Moneta Porcupine	.02q	15	50,877
Pioneer Gold	.10q	1	175,175
Premier Gold	.02	15	100,000
Preston E. Dome	.05q	15	150,000
Sheep Creek G.	.04q	15	75,000
Silbak	.04q	25	100,000
Teck-Hughes	■.10q	1	480,714
Wr.-Hargreaves	.10q	1	550,000
Do., extra	.05	1	275,000
Total			4,830,034

Oil Companies

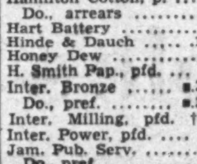
Company	Rate	Date	Amount
Brit. Amer. Oil	.25q	1	693,160
Canadian Oil, pref.	2q	1	40,000
Extension Oil	■‡0.445	10	89,000
McColl-Front., pfd.	1.50q	15	115,638
North Star Oil, pf.	.08¾q	1	17,500
Petrol Oil & Gas	■.02	1	4,400
Total			959,698

Financial

Company	Rate	Date	Amount
Bk. of N. Scotia	3q	1	360,000
Brit. Amer. Assur.	1.50s	1	45,000
Brockville Trust	.62½q	1	6,250
Canada Life	5q	1	50,000
Can. Perm. Mtge.	2q	1	140,000
Can. For. Invest., pf.	2q	1	15,732
Can. Gen. Invest.	.12½q	15	75,073
Cent. Can. Loan	2q	1	50,000
Chartered Trust	1q	1	10,000
Crown Life	3¾q	1	8,352
East. Can. Savings	1.50q	1	11,250
Eastern Trust	2q	1	20,000
Econ. Inv. Trust	■.62½q	1	24,953
General Trust, pfd.	1.25q	15	13,750
Gt. West Life	3.75q	1	37,500
Guar. of N. Amer.	1.50q	15	9,138
Do., extra	2.50	15	15,230
Guaranty Trust	1.25q	15	3,750
Huron & E. Mtge.	1¾q	1	50,000
Imperial Life	3.75q	1	37,500
Invest. Found., pref.	.75q	15	21,879
Landed Banking	1q	1	10,000
Mtl. C. & D. Bank	3q	1	60,000
National Trust	2q	1	60,000
N. S. Trust	3.50s	15	17,500
Ont. Loan & Deb.	1.25q	1	50,000
Sun Life Assur.	3.75q	1	75,000
Tor Gen. Trusts	1q	1	30,000
Toronto Mortgage	1.25q	1	24,662
Traders Finance, p.	1.50q	1	36,850
United Bond & Sh.	.15q	15	3,953
Western Assur., c.	1.20s	1	66,000
Total			1,439,322
Grand total			19,848,594

q—Quarterly. s—Semi-annually.
†Payable in U. S. funds.
*Net payment after corporate income tax.
‡Final distribution of capital.
■Subject to approval of Foreign Exchange Control Board.

The ADMIRAL BEATTY



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The Editorial Page . .

Giving Workers the Facts

It came as a shock to the head of a great Canadian industry the other day to discover that his thousands of workers were firmly convinced that the Dominion government was paying them their cost-of-living bonus. He took prompt steps to lay the facts before the employees.

It happens that his company ranks among the first half dozen in Canada in the enlightenment of its labor relations policies. It has been magnificently generous in what it has done for its workers. The heads of the industry are on a "Jack" and "Bill" basis with their workers and the workers' families. Yet even in such an industry a grave misconception arose.

Industry has a great responsibility to keep its workers informed. They are entitled to the facts about the taxes that industry is paying. The facts about the profits limitations imposed in war contracts. The facts about the comparative earnings of employees today and before the war. The facts about the key importance of the company's products in the winning of the war. The facts about bottlenecks and what they mean when a few key men lay down their tools. The facts about the government's wartime labor-wages policy. The facts about the cost-of-living bonus. Facts about everything that concerns the worker.

We are fond of saying that Canadian workers are honest, intelligent, patriotic. They are. But they are also human, and that means they are easily swayed by an incorrect story when it is told to them by skilful demagogues and agitators. If industry will tell its story it has a better chance of holding labor's respect and understanding than if it does nothing.

Hon. Norman McLarty, the Minister of Labor, said the other day:

> "Employers should take their employees into their confidence, tell them what profits the company is earning, what it is paying in income taxes and excess profits taxes.
>
> "Balance sheets, profit and loss accounts are cold and complicated and difficult to understand. In addition, they do not tell the story of the heavy taxation on profits exacted by the Canadian government necessary to meet our war expenditure. But this high taxation is a fact. Why should this fact not be fully revealed by industry to its employees?"

The advice is good. Many Canadian corporations are already doing what Mr. McLarty suggests. But more companies should follow the practice of recognizing employees as partners and giving the facts to offset irresponsible charges in respect to profits, salaries, etc.

New Rôle for Reserve Army

Ottawa seems to have found for the Reserve Army what an army chief recently referred to in private conversation as "a respectable, non-competitive role." This week it was indicated that the reserve units would have three jobs to do:

> "An operational role in the defense of Canada where required." (This will apply chiefly on the coasts and will free the Active Army from some of its present duties.)
>
> "Aid to the civil power in the case of subversive or other disturbances." (It upsets training schedules of the Active Army when units have to be called out in serious strike or other situations.)
>
> "Reinforcement of the Active Army." (In brief, the "No. 2" battalions of the various militia units will be expected to do a bigger and a better job of training men and sending them on to "No. 1" battalions to fill in gaps in these active service units.)

The government indicates that an effort will be made to supply more training equipment to the reserve units—not an easy job in view of the pressing demands from overseas for all the equipment we can produce.

At the same time, age limits have been made more generous to enable reserve units to be built up for the three roles assigned to them.

The new developments will be welcomed all over Canada by zealous militia officers who have felt that they have recently been neglected and almost scorned. They should be welcomed too by the people of Canada, for the Non-Permanent Active Militia is the very foundation of the Canadian Active Army.

Although the government's announcement does not refer to cadet battalions it is understood that these, too, are to be overhauled and strengthened with the co-operation of local educational authorities.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Conscription of Wealth For War

A reader asks us what is "conscription of wealth and industry?" He refers to a resolution introduced into a labor conference the other day.

Well, if we were given the job of conscripting wealth and industry for war purposes, here are some of the things we would do:

We would pass a law giving the government power to make use of any industrial facilities in Canada on its own terms. We would give it control over raw materials and prices.

We would strictly limit profits on all war purchases so that no industry or individual could "profiteer" out of the war.

We would impose very heavy taxation on incomes, grading the rates upward, bracket by bracket, until men of very large incomes would pay much more to the government than they would have left for themselves.

We would add Dominion succession duties to the present heavy provincial levies.

We would increase the tax on corporation earnings and provide for the government taking over the major portion of any increase in earnings.

We would try to pay at least three-fourths of the war bills out of taxation. We would issue bonds for the balance and tell the larger investors of the country that they had to give the government first claim on any investable funds that came into their possession.

In brief, if we wanted to conscript wealth, we would do just what the government has already done. We are today conscripting wealth at such a rate that few people—except wage-earners—have as much left on Dec. 31 of any year as they started with on Jan. 1. The present rate of diminution of large fortunes is very rapid.

Proposals that wealth be conscripted in Canada are about in the same class as the resolution recently passed by a "Youth" meeting in Toronto, which urged that people with higher incomes pay higher tax rates per cent than people with small incomes. Such proposals come from people who have not taken the trouble to find out what is going on already in the financing of our war effort.

What Holt Did For Canada

Sir Herbert Holt was the most outstanding example in Canada of the rugged type of financier and builder, who turned this continent from a wilderness into a vast network of great cities, industries, utilities and transportation systems.

He was of the Vanderbilt, Rockefeller, Ford and Carnegie school, composed of men of immense vision and ambition, tremendous driving force and an almost ruthlessly realistic attitude toward all who got in the way of their developments. All of them acquired great wealth, but this was largely incidental to the creation of their enterprises.

Public opinion at the moment is in revolt against such men and we are not likely to see many more of the same type in this generation. The average man looks at their work and considers the cost, and is all too ready to believe that, on balance, they did not serve mankind well. But time has yet to approve that judgment.

The great productive strength of this continent is rooted in the work of pioneers. Among the pioneers there were not only rugged individuals, carving farms and homes out of the forest lands, but rugged individualists, fighting nature, politicians and competitors to create vast wealth-producing enterprises.

Sir Herbert Holt may have been the wealthiest man in Canada and he may not. But little of his income was ever needed—or in latter days even left to him—for his personal use. The facilities he created today belong to the people in a sense that people little realize.

It is yet to be demonstrated that the present tendency to elect politicians to run railways and power plants and to control industry will get the world's work done with superior efficiency.

B. C. Sets Example

Economics has been both kind and cruel to British Columbia. Kind because the province is blessed with some of the richest and rarest natural resources in the Dominion. Cruel because these resources have been fully employed in cycles, in tune with industrial tempos beyond the province's control.

Probably in no other province is the temptation to play prodigal son so great as it is in the coast provinces. Booms have been followed by acute depression, made the more intense by British Columbia's mild climate, a constant attraction to the unemployed.

The present peak of business activity in the province could easily be the excuse for heavy spending. Provincial credit is at the best level in many years. The revenues for 1941 were the highest in British Columbia's history.

Instead of borrowing, the Pattullo Government has cut its net debt $5.5 millions in the past year. British Columbia was the first province to accept the Ilsley proposal for surrender of income taxes.

In so doing the province has forsworn a wartime spending spree on capital account.

Editorials in Brief

How rumors start. Last week Premier Hepburn was in New York. He lunched with a Chase National Bank vice-president. Someone asked a policeman (part of the motorcycle escort from LaGuardia Field) who was the "big shot" meeting the bankers. The cop said, "The Prime Minister of Canada." In an hour Wall Street gossip had it that Canada was planning a big loan in New York.

* * *

"This city had no more public-spirited citizen," the London Free Press wrote this week on the death of Edward E. Reid, general manager and vice-president of the London Life. The Free Press then proceeded to detail some of Mr. Reid's manifold activities for the nation, for western Ontario and for London—all additional to his duties as the directing genius of a great Canadian insurance company.

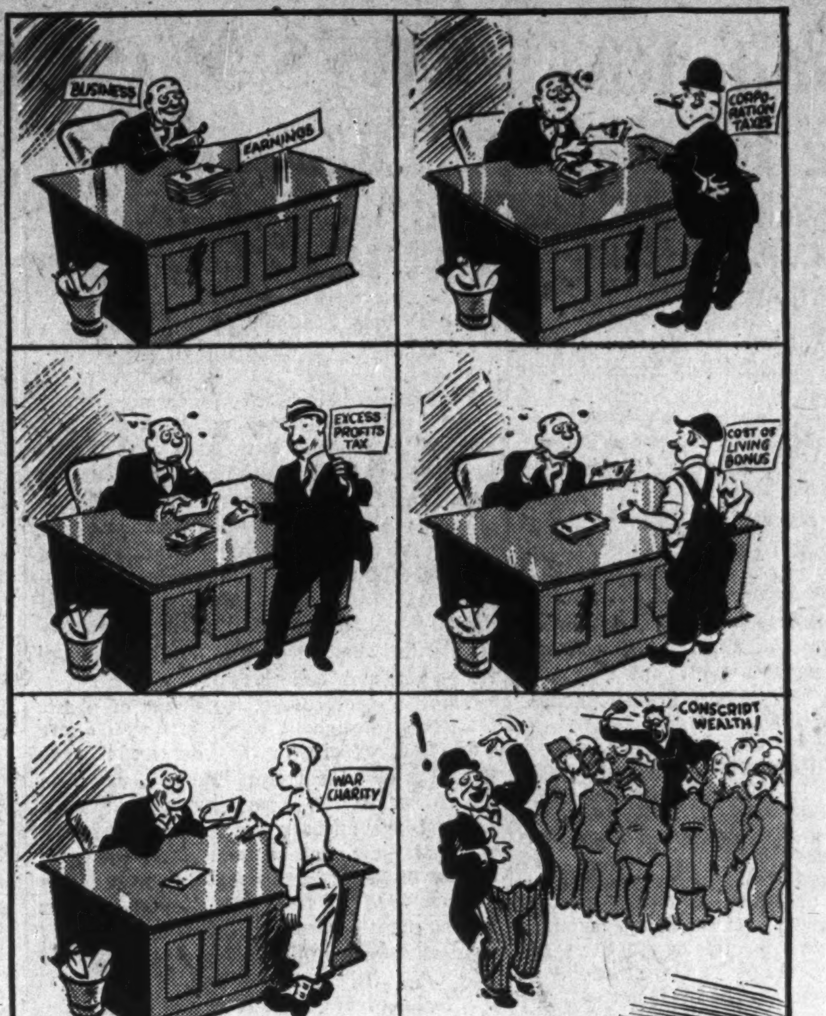
Men like Mr. Reid are priceless in any community. No finer tribute need be paid to Mr. Reid than to say that his death leaves a gap that it will take many men to fill.

* * *

The Canadian Life Insurance Officers Association is now starting the 22nd year of its co-operative advertising campaign. During the years the campaign has been running, the object of its sponsors has been to tell the story of life insurance and by so doing establish and maintain public confidence. Some idea of the success attained is to be had in the fact that the volume of life insurance in force in Canada increased during those years from $2.1 billions, at the end of 1919, to $6.2 billions, at the end of 1940.

In the 13 months ended with July, 1941, the campaign was attuned closely to the war. Main objectives were: to inform policyholders and the general public of the part played by insurance in war, to emphasize that it is good citizenship to own life insurance and to sustain the morale of the policyholders and the sales force of the business.

During the year over 32 million messages addressed to Canada's four million policyholders and the public at large have appeared in the papers carrying the advertisements. These have no doubt been a factor in the larger demand for life insurance in recent months.



—Cartoon by Grassick.

DAY IN THE LIFE OF ANY BUSINESSMAN

Post-Scripts . .

Grain Trade Link

There's a link with the good old grain trade days in the election of Stewart Searle as president of the Grain Exchange out in Winnipeg.

STEWART SEARLE

Stewart Searle's father was one of the American grain trade kings encouraged to come to Canada in the early days by the Mackenzie-Mann interests and establish country elevators along the newly-developed Canadian Northern right-of-way. A. L. Searle came west from New York as a young man and established himself in Minneapolis with F. H. Peavey, another pioneer grain dealer. In 1904, Mr. Searle made his first investment in Canada when the line elevator network was first taking shape. He leased space in the big terminal elevators which the C.N.R. had erected at the head of the lakes and organized several companies of his own. In 1929, four Searle properties — Saskatchewan Elevator Co., Searle Grain, Liberty Grain and Home Grain were merged into the present Searle Grain Co. Ltd. This company now has some 400 country elevators throughout the West; a five million bushel terminal at the lakehead and offices in principal western cities. It leases another terminal at New Westminster.

A. L. Searle still lives in Minneapolis but for many years his son Stewart and two sons-in-law have managed the Canadian business in Winnipeg. Today, the president of the Searle business is N. L. Leach and the two vice-presidents are Jim Gilchrist and Stewart Searle. Mr. Gilchrist is general manager and Stewart Searle the treasurer of the company.

Stewart Searle was educated at Yale. He was in the middle of his schooling when Americans got really interested in World War I. With other classmates he formed a group of volunteers for ambulance service in France. When the U. S. entered the war in 1917 he became a full-fledged sergeant in the A.E.F., but continued to drive an ambulance for the French.

After the Armistice, Stewart Searle returned to Yale and finished his B.A. course. He came to Canada shortly afterward and helped start the company bearing the Searle name in Canada—a modest undertaking which started life with about 15 country elevators. He became a naturalized Canadian in 1925. One of his own boys is now attending Trinity College School near Port Hope, Ont.

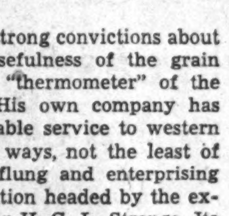
Mr. Searle has strong convictions about the place and usefulness of the grain exchange as the "thermometer" of the grain business. His own company has rendered inestimable service to western Canada in many ways, not the least of which is its far-flung and enterprising research organization headed by the ex-wheat king, Major H. G. L. Strange. Its job is increased in a year such as this, when a difficult, long-drawn harvesting season has greatly hampered and extended the big job of collecting the wheat from prairie farms.

Financially the Searle enterprise is still a "family" business. Its long and happy association with prairie wheat growing and marketing well justifies the adding of the Searle name to the distinguished roster of Grain Exchange presidents.

* * *

Perennial Labor Head

It was the old story at Calgary last week. The Trades and Labor Congress was getting 'round to its annual routine—election of officers. Since 1918 there has been only one answer to the nomination for president: "Tom Moore—if we can get him."



TOM MOORE

In only three of those years was Moore not available. That was from 1935-38 when he was on the government payroll, first as a member of the Bennett Unemployment Insurance Commission which ran into constitutional hot water and then as a member of Mr. King's Employment Commission headed by the late Arthur B. Purvis.

It seems to be well authenticated that the Congress nearly lost its perennial president in 1940, when Prime Minister King almost stepped outside the Liberal fold to gain cabinet recruits among representative labor and Conservative leaders. It is said in Ottawa that Tom Moore was offered the labor portfolio but that he turned it down. Perhaps he figured he could do more for organized labor in his present role.

The fact is that Moore has been in the forefront of constructive labor policy ever since the war began. Significantly the first important declaration of labor policy after the outbreak of war came not from the federal government but from Tom Moore as president of the Congress. The date was October 5, 1939. Besides offering its "unwavering" support for the war effort the Congress outlined three other points of policy:

1. Extension of the Industrial Disputes Investigation Act to industries engaged in war production as an essential step toward avoiding strikes.

2. A labor bill of rights similar to that published in the last war and setting out general principles of government policy regarding collective bargaining, rights of organization, etc.

3. A request that all matters of labor policy be channelled through one department—the Department of Labor.

A month later the government acted on the first policy by placing all war industry under the I.D.I.A. for the duration.

Nine months later after another hefty prod by the Congress it belatedly drew up a labor bill of rights (P.C. 2685) which did almost identically what the Congress had requested at the outbreak of war.

The third request has been implemented only in part.

Now, at Calgary, Mr. Moore has again charged lack of co-operation between the government and organized labor. He says the government is "looking for every loophole and excuse" to prevent workers from conciliating their disputes. And in a week or two Mr. Moore, for the 22nd time will march into the East block or up the steps of the Parliament Buildings to place before the Prime Minister the views and recommendations of the Congress as expressed at its annual convention.

Both Mr. King and Mr. Moore are past masters at such meetings.

And invariably, after the meeting has been held, there is a noticeable quickening in federal labor policy—a tribute to Tom Moore and the quiet, effective leadership he has given the Congress (it now claims some 200,000 members) in the past two decades.

* * *

Circling Dollars

Since he burst into poetry at the annual meeting of the Canadian Chamber of Commerce recently, Russell T. Kelley, Hamilton advertising agency chief, has been bombarded with requests for copies of the poem which he dedicated to Canadian agriculture.

To save him the trouble of writing out his little verse, we reprint it herewith:

The farmer sells a load of wheat
And all the world grows fair and sweet.
He hums a pair of cheerful tunes
And pays the grocer for his prunes.

The grocer, who has had the blues,
Now buys his wife a pair of shoes
The "ten" the shoeman thinks "god-sent"
And runs and pays it on the rent).

Next day, the rentman hands the bill
To Dr. Carver for a pill.
Says Dr. Carver to his frau:
"Why, business is improving now,
I think that I should have a rest;
You'd better take a trip out west."
And in a day or two his frau
Is on the farm of Joshua Howe.

She pays the board to farmer Howe,
Who takes the bill and says "I vow
"Here is a thing that can't be beat
This is the bill I got for wheat."

He hums a few more cheerful tunes
And goes and buys a lot more prunes.

* * *

Boss Over Rubber

Sole responsibility for seeing that Canada gets enough raw rubber to meet her essential needs and to see that supplies are distributed equitably among war and civilian industries has been placed with the Fairmont Company, a Crown company operating under the Department of Munitions and Supply.

To head Fairmont the government has recently secured Harold C. Jeffries, man who has a record of 23 successful years in the rubber business in Canada. Born in Peterborough, Ont., Mr. Jeffries organized the Canadian I. T. S. Rubber Co. on graduation from University of Toronto in 1918.

Canadian I. T. S. Rubber Co. was controlled by United States capital until 1930 when a Canadian group headed by Mr. Jeffries acquired control and reorganized the company under the name of Viceroy Rubber Co., the title by which it is still known. Mr. Jeffries, who had been general manager of the old company for a number of years, became president and general manager of Viceroy.

Viceroy has established an enviable reputation, not only in Canada but also among many overseas customers, for its line of miscellaneous rubber products. It makes such items as erasers, hot water bottles, rubber heels, rubber bands and play balls.

In addition to doing a very successful job of managing Viceroy, Mr. Jeffries has served for a number of years as treasurer of the Rubber Association of Canada and is on the board of several other companies.

The Fairmont Co. has been acting for some time in purchasing reserves of crude rubber for government needs. Its head office has been in Montreal but now it is moving to Toronto, in closer proximity to the major units of the Canadian rubber manufacturing industry. One of its tasks in its new headquarters is to apportion civilian crude rubber supplies in such a way as to aid in achieving successively greater reductions which will reach 30% in February, 1942, as compared with 10% for October.

"King George the Sixth of England did not ask us to declare war for him; we asked King George the Sixth of Canada to declare war for us."—Leonard W. Brockington, K.C.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2.

JOHN BAYNE MACLEAN, Founder and Chairman.

HORACE T. HUNTER, President.

H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, [illegible].
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Lamb, Eastern Editor.
Ottawa: 260 Irving Ave. (Tel. 8-0947); Kenneth R. Wilson, Resident Correspondent.
New York: 522 Fifth Ave.
Chicago: 309 West Jackson Blvd.
London, England: Quadrant House, 55 Pall Mall, S.W.1.

Other People's Views . . . . . .

The Canadian Editorial of the Week

Tell Our Story Now

Family Herald and Weekly Star

Canada continues to receive a bad press in the United States, and it is high time something was done to tell the American people our story. Perhaps it is not so much a bad press as a negative press that we are receiving, but whichever it is our war effort, our relations with the United States, our position as a growing world influence are not being put before the American people with anything like the forcefulness required to impress them and keep them aware that their northern neighbor is doing a job as much for their benefit as for Britain's.

The Canadian Government, we are aware, has for some time been considering the appointment of an officer with full authority and facilities to disseminate information about Canada. The new Minister of National War Services, Hon. J. T. Thorson, is believed to be prepared to do something about it immediately, and his willingness to act should receive the utmost support from his colleagues as well as from the Canadian people.

It cannot be argued that we have tried and been frustrated by circumstances beyond our control. We have not even tried. Every representative we send to the United States appears to consider it his duty to retire immediately into semi-obscurity, deny himself to press and public, and adopt a hush-hush policy about the Canadian war effort, a policy that gives the impression we have something to hide, not something important to tell.

In peacetime it is naturally difficult to place Canadian news in American newspapers. Not much happens here that would interest the people there more than do their own domestic events. But today we are "news" in the best sense. If, as Mr. Churchill said, Canada is the linch-pin of the English-speaking world, if we are the bridge of understanding between Britain and the United States, we must first make ourselves understood, make the American people know who and what we are, what we are doing, what we are prepared to do. Linked to them by formal agreement for the defense of this continent, we must impress upon them the personality of the friend they have adopted. **AND THE TIME TO DO THIS IS NOW—NOT LATER.**

* * *

As Others See Us

Spending $4 Billions

Brantford Expositor

The Financial Post, Toronto, presents in its current issue a large volume of information on how Canada is spending $4 billions as a contribution to victory. In 110 illustrated pages, The Post makes a comprehensive survey of our "Democracy on the March."

As The Post says, editorially: "These feature pages set a new record in Canadian publishing, but that is only because the story they have to tell is a story of record achievement."

At the same time, this account of "half a million men in uniform, half a million workers in war plants, and an entire nation of 12 millions girding itself for a supreme military and industrial effort," is an outstanding journalistic accomplishment upon which the publishers are to be warmly congratulated.

* * *

Canada on the March

Collingwood Enterprise Bulletin

Truly is the special financial and industrial issue of The Financial Post, of Saturday, "a graphic portrayal of Canada at War." It covers many sides of the subject and gives a clear and understandable picture of the war work of the Canadian people. In many articles it gives figures and details that cannot but be of interest and prove stimulating to the determination of the Canadian people to carry on till the end, till the world is free from the danger of domination by dictatorships.

The issue of The Post is a genuine public service, and this is said in face of the fact that, with others, there is on our part, not always complete agreement with its attitude toward the governments, in respect to which it sometimes appears too querulous.

* * *

Tax Willingness

Chesley (Ont.) Enterprise

The Financial Post is rather surprised because a U. S. poll of public opinion favors lower income taxes than are presently levied in that country. On the other hand, we would hate to see it even whispered that people are willing to pay higher taxes than are now levied. Our legislators are too adept at having their ears to the ground.

* * *

Civil Rights

Barrie Examiner

Quite a few well-known citizens of Toronto have lent their names to a letter sent to the Minister of Justice asking for the release of a "union organizer" who was arrested and interned following a strike in an important war industry. These gentlemen are members of an organization known as the "Civil Liberties Association of Toronto" and they believe that they are upholding the principles of liberty by protecting people who are sabotaging Canada's war effort. Their letter to the minister suggests that the government's action is breeding distrust among organized labor, and that labor is beginning to suspect that a man may be interned for participating in a labor dispute.

The Financial Post deals with this subject quite adequately when it points out, "There is no reason for anyone to interpret Ottawa's policy as one threatening labor leaders. Unions have been given official encouragement beyond anything they ever dreamed of in peacetime, to organize plants." The man whose internment is causing the Civil Liberties Association so much concern is an adherent of the Communist party. Not many years ago he nominated a Communist for public office, and more recently he led an illegal walkout in a defence industry.

* * *

The Mail-box

Extra Copies

Editor, The Financial Post:

I wish to congratulate you and your organization sincerely on the really outstanding work which is represented in your issue of September 20. I purchased extra copies for our High School Library and the Public Library, and I hope that others have done the same. By the use of graphs to go with the text, you have been able to show in its clearest terms, just what a modern war means to this country.

ROBERT GLENDINNING,
Grimsby, Ont.

* * *

Stop Me If . . .

Two soldiers were eagerly reading letters from home. Suddenly Bill gave a shout.

"Lumme!" he exclaimed, "my son's got three feet!"

"Chuck it!" retorted Tom. "'Tain't possible."

"'Strue!" said Bill. "See what my missus says here."

He handed the letter to Tom, who read: "You won't know little Johnny now. He's grown another foot."

Sayings of the Week

"This time our task is to be finished once and for all. The people will never rest until every hammer clangs, every wheel turns, every airplane flies and every man works for victory."—*Leonard W. Brockington.*

* * *

"What is called capital is civilization's greatest achievement. Capital is what has been gained by work."—*Nicholas Murray Butler.*

* * *

"Scientific progress has made the revolutionary theories of Marx obsolete,"—*Stuart Chase.*

* * *

"We are making war because we want peace, not the peace of submission and shame, but peace with independence and honor."—*Premier Pierlot of Belgium.*

* * *

"We are fighting not only for our way of life but for the right of improving our way of life."—*J. T. Thorson, Minister of National War Services.*

* * *

"We believe that everything which free men value and cherish on this side of the grave is in peril in this war."—*W. L. Mackenzie King.*

* * *

"It is imperatively necessary to have not only the will to peace but the power to enforce it."—*Col. Frank Knox, U. S. Secretary of the Navy.*

* * *

"We can face any event with confidence—as long as we do not face it with over confidence." — *Lord Queenborough.*

* * *

"There will be better Christmas dinners this year than last year and at the same time more justification behind those dinners." — *Prime Minister Churchill.*

War and the "Five and Tens"

New Supply Sources Minimize Dislocation

War has affected the "five and ten cent" stores a great deal less than might be imagined, a quick survey by The Financial Post reveals.

Perhaps at one time establishments of this kind were quite largely stocked with the low-priced products of Japan, Germany and Central Europe. In recent years, however there, has been a change and as a result of that change, the sudden cessation of imports from the three sources mentioned was not the shock it would have been.

Three Cushions

First cushion against the possible dislocation by war was a widening of the range of goods handled by practically all stores in the old five and ten cent class. Most of them now handle items ranging up to a dollar more in price. This change permitted them to increase vastly the number of lines handled, and also the quality of the goods. It gave the higher-priced and often better Canadian and U. S. made items a chance to enter the new low-priced field.

Hand in hand with this change was a real effort on the part of Canadian, British and American manufacturers to compete with cheap imported goods in the domestic field. For the first time many of them tried making dolls, toys, jewellery and novelties generally.

There was a third development of special importance in the change-over period from peace to war. Ever since the China incident of four years ago, feeling had been growing against Japan among the Canadian public. Sensing this, retailers sharply restricted purchases of Japanese goods long before there was any talk of an actual embargo.

Something similar happened to German goods when Hitler invaded Austria and later Czecho-Slovakia. These unofficial boycotts gave Canadian, United Kingdom and American manufacturers a golden opportunity for getting their wares before the Canadian public.

As a result of these developments the average "five and ten" store in the Dominion is just about as well stocked as it was in the peaceful days of 1937. About the only goods lacking, due to the war, The Post was told, are cheap hardware, Christmas tree ornaments, and flowering bulbs from Holland.

New Sources

British goods have completely replaced the cheap chinaware porcelain and chinaware formerly obtained from Japan. The price is higher but the English goods are reported very much better.

Dolls that used to come from Germany now are produced in Canadian and U. S. factories. Here again price is higher, perhaps 25 to 50%, but again quality is much improved. Wooden toys that formerly bore the stamp of "Made in Czecho-Slovakia" now come from England, Canada and the United States. Range is more limited and price is up perhaps 40 to 50%.

Cheap Canadian-made combs and similar goods were rare ten years ago, yet all come from local sources today and the price is only slightly higher. The same is true of soaps and perfumes.

Most electrical goods and textiles have long been largely supplied from domestic or British sources. Shelf paper and other paper products, once imported, now come from Canadian mills.

Cheap Hardware

Most serious exception to the general change noted is cheap hardware. This is a staple, all-year-round line with the novelty chains, and one of their big sellers. Supplies formerly came largely from Germany, with Czecho-Slovakia and Japan also in the picture.

Britain is now the main source and prices are a good deal higher. Quality is up too, of course, but the range is sharply reduced.

Before the war Germany and the Czechs were prepared to duplicate in a low-priced line practically every expensive tool or gadget. Jackknives, pliers, screwdrivers, hammers, levels, etc., all could be produced to sell at 10 to 25 cents in Canadian stores. Today similar goods made in British, Canadian or American factories are priced at 20 to 50 cents and again the range is more limited.

After the War

In certain lines dolls, wooden toys, textile and paper products, are examples it is believed that Canadian manufacturers will be able to compete with Germany and other foreign sources after the war.

In others, and especially cheap hardware and metal toys, the chances are reported not so good. The big catch is a lack of volume for the Canadian maker and higher priced labor. Germany before the war sold almost the entire world and as a result produced these cheap lines in tremendous volume.

The Week in Business

Current business holds well above last year. D.B.S. index of business activity for week ended Sept. 20 about 11% above corresponding week last year but pulled slightly below previous week by bank clearings.

Railway carloadings for week ended Sept. 20, 11% higher than year ago. Total for year to date up 14%.

Railway gross traffic earnings continue to show substantial gains in third week of September. Total for year to Sept. 21 up 23% for C.N.R. and 30% for C.P.R.

Sea fisheries catch and landed value in August well above 1940 figures. Total for eight months down 5% for catch, up 37% for value.

Foreign trade shows large increases in both imports and exports in August, compared with last year. Total exports for eight months 36% higher, imports 33% up.

Sugar grindings in four weeks ended Sept. 6 almost 30% above year ago. Total for year to date 7% higher.

Bank debits in August and for eight months substantially higher than last year.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	Sept. 20	Sept. 13	Sept. 6	Aug. 30	Sept. 21/40
Weekly index of business, D.B.S.	116.1	116.5	114.9	114.9	104.5
Commodity prices index no.	92.7	92.4	92.1	91.9	83.1
	Aug.	July	June	May	Year Ago
The Financial Post business index	°162.5	158.9	155.1	150.3	142.9
National Income, D.B.S.•	....	447.5	436.1	439.6	420.6
Retail sales index no.	....	135.0	134.3	134.5	114.5
▪Dept. store sales index no.	145.8	132.5	123.1	120.2	116.6
Wholesale sales index no.	....	147.0	140.6	148.6	112.8
Country store (% change pr. yr.)	....	+13.2	+5.2	+8.6	+6.2
COST OF LIVING—					
D.B.S. index	113.7	111.9	110.5	109.4	105.9
Family weekly budget	....	....	$18.50	$18.30	$17.72
EMPLOYMENT INDEX Nos., D.B.S.	July 1	June 1	May 1	Apr. 1	Year Ago
All industries	157.6	152.9	145.5	141.3	124.7
Manufacturing	172.9	166.0	162.3	158.2	130.3
			Jan. 1 to date		%
RAILWAYS—	1941	1940	1941	1940	Change
▪Carloadings (week Sept. 20)	70,867	63,422	2,267,435	1,984,003	+14.2
▪C.N.R. gross (week Sept. 21) $	6,349,488	5,043,389	211,840,440	171,924,880	+23.2
▪C.P.R. gross (week Sept. 21) $	4,578,000	3,537,000	152,431,000	116,754,000	+30.5
C.N.R. net revenue (Aug.) $	5,171,732	3,668,181	42,196,254	24,040,849	+75.5
▪C.P.R. net revenue (Aug.) $	3,146,005	2,263,597	26,261,119	17,304,434	+51.7
IRON AND STEEL—(July)—					
Pig iron production (tons)	102,005	95,924	726,556	645,551	+12.7
Steel ingots and castings prod. .... (tons)	197,316	169,583	1,345,751	1,127,823	+19.3
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (July)	6,306	4,542	64,393	74,244	—13.3
Factory output .. (Aug.)	3,160	1,510	72,208	77,086	—6.3
Trucks and Buses:					
Domestic sales* .. (July)	3,005	2,276	23,771	19,173	+24.0
Factory output .. (Aug.)	14,032	12,483	122,509	62,321	+96.6
Financing:					
Used .... (Aug.) $	4,172,626	3,740,564	38,458,062	29,606,637	+29.9
New .... (Aug.) $	2,447,964	1,973,436	28,615,207	23,886,974	+19.8
CONSTRUCTION—					
Contracts awarded . (Aug.) $	36,123,900	40,747,900	283,545,300	195,489,000	+45.0
Cement prod., bbls. (June)	959,000	929,000	3,351,746	2,727,862	+22.8
AGRICULTURE—					
Flour prod., bbls. ..(July)	2,116,896	1,222,975	12,133,395	8,790,547	+38.0
Flour exp., bbls. .... (Aug.)	1,436,566	575,756	8,620,361	4,541,626	+90.0
Wheat exp., bush. .. (Aug.)	14,720,958	11,401,161	133,088,617	90,970,959	+46.3
Cattle sales▴ .... (Aug.)	110,413	116,817	695,702	673,011	+3.3
Hog sales▴ .... (Aug.)	351,396	327,997	3,797,613	3,023,633	+25.6
SEA FISHERIES—‡					
▪Catch cwts.▴ .... (Aug.)	1,794,800	1,338,300	7,070,600	7,492,000	—5.6
▪Landed value ...... (Aug.) $	4,991,500	2,975,000	17,495,830	12,730,200	+37.4
NEWSPRINT—					
Production, tons ... (Aug.)	293,054	316,607	2,207,671	2,291,283	—3.7
Exports .... (Aug.) $	13,180,000	14,341,000	99,290,357	95,641,845	+3.8
MINING AND OILS—					
Coal prod., tons ... (July)	1,186,694	1,253,247	9,646,043	9,517,695	+1.3
Coal import, tons . (July)	2,634,211	2,550,790	8,667,694	9,277,921	—6.5
Gold rec., fine oz. . (Aug.)	430,878	444,033	3,423,941	3,290,803	+4.0
Crude oil, imp. gals† (June)	183,271	158,725	643,834	552,069	+16.6
ELECTRIC POWER OUTPUT—(July)—					
Total monthly, 1,000 kw.h.'s	2,661,145	2,615,232	18,303,530	17,583,735	+4.6
FOREIGN TRADE—♦					
▪Imports .... (Aug.)	$137,913,470	96,835,858	910,905,229	682,432,876	+33.4
▪Exports .... (Aug.)	$150,494,256	111,359,567	1,041,710,418	766,533,766	+35.9
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Aug.)	261,132	281,529	1,435,686	1,511,451	—5.0
Shoes, prod., pr. .. (July)	2,883,741	1,861,028	17,840,663	14,586,969	+22.3
Cotton consump., lb. (Aug.)	14,595,435	[illegible]200,326	130,124,004	127,212,049	+2.2
Raw rubber imp. lb. (June)	6,312,130	[illegible],381,871	55,749,702	41,033,486	+35.8
Cigarette cons., No.† (Aug.)	816,691	620,889	5,397,536	4,967,781	+8.7
▪Sugar manufactured .. lb.§	99,232,363	71,339,246	666,493,637	620,345,592	+7.4
FINANCE—					
▪Bank debits† ...... (Aug.) $	3,149,791	2,457,706	25,201,597	22,081,944	+14.1
Bond sales† .... (Aug.) $	83,061	83,675	1,468,229	1,341,827	+9.4
Life insurance sales (Aug.) $	29,597,000	24,698,000	261,044,000	241,225,000	+8.2

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪
†000's omitted. §For four week to Sept. 6. ♦Gold excluded.
•Millions of dollars. °Final.

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Waterway Deal Speed Urged

U. S. Federal Power Board Says Delay "Grave Error in Planning"

From Our Own Correspondent

MONTREAL.—Delay in immediate construction of the St. Lawrence River power project would be "a grave error in military planning," the Federal Power Commission maintains in a letter sent by its chairman, Leland Olds, to representative Mansfield, chairman of the Rivers and Harbours Committee of the U. S. House of Representatives.

Upstate New York is now short of power, the Commission's letter says, and even with completion of the St. Lawrence project in 1945, the area will be 394,000 kw. short of the capacity estimated to be required for expansion of essential defense production unless further additions to generating capacity are planned.

Seek Mine Labor Support

Hydro-electric energy to be obtained from the St. Lawrence project would supplement coal generated power, not compete with it, the letter says. It points out that the maximum amount of steam capacity equipment manufacturers can provide is included in the Commission's national defense power programme, which also includes the St. Lawrence Power project.

That programme, which was recently released with President Roosevelt's consent, provides for new steam installations that will create a demand for 10 million more tons of coal annually than are now being used even after allowances made for use of other fuels. This increased coal consumption by power plants is 20% more than was used in United States by central electric stations in 1940 and 33% more than was used in 1939.

Because the Commission's programme already calls for the use of all the steam generating equipment that manufacturers can provide, the substitution in this area of steam capacity for power to be derived from the St. Lawrence project would have the effect of depriving other essential war material areas of necessary capacity, the letter says.

Says Drastic Shortage In Salmon Not Likely

From Our Own Correspondent

VANCOUVER.—Fishing off the west coast of British Columbia is more intensive than it used to be, but the pack of salmon is being well maintained year after year at approximately the same level and there is no serious threat of depletion, according to John M. Buchanan, vice-president and general manager of B. C. Packers, Ltd.

"One of the chief problems of the industry is the seasonal nature of employment, and for that reason development of subsidiary lines and diversification of operations are extremely important," said Mr. Buchanan, instancing the part science is playing in conserving the fish supply and extending the forms of utilization.

Must Await Total

The total amount of canned salmon available for the Canadian domestic market and for export other than to the United Kingdom will not be determined until the final pack is up, because the Canadian government has guaranteed a minimum of 980,000 cases.

Now the minimum has been assured and an interim allotment has been made available to the packers for the domestic market.

"Wholesalers will be able to get some deliveries of salmon even before the full quota is arranged," said Mr. Buchanan. "They can expect from this year's pack reasonable supplies to carry them until the next operating season.

"While it is true there will only be a percentage delivery made in Canada, there will be no drastic shortage as some reports would have one believe.

"If there are to be marked increases in salmon prices, as some reports indicate, the packers on the west coast are not getting the benefit of the increase. The packers' share in the increase is in no way commensurate with the increased cost of fish and canning costs. The actual increase in this year's prices received by the packers over 1940 per one pound tin is as follows: Sockeye, half a cent; cohoe, one cent; pinks, one and a half cent; chums, one cent."

Soo Line Earnings Show Sharp Gain

Minneapolis, St. Paul and Sault Ste. Marie Railway Co., in which the Canadian Pacific holds a substantial investment interest, reports net earnings for August this year at $734,629. This compares with $522,607 in the same month a year ago.

For the first eight months in 1941, net earnings of the Soo line amounted to $1,542,423, compared with $759,526 in the like period of 1940.

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CANADIAN BANK NOTE COMPANY Limited

HEAD OFFICE and WORKS OTTAWA

BRANCH OFFICES TORONTO MONTREAL

Business Above 1940 Levels In All Economic Areas

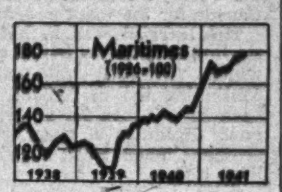
Business activity in three of the five economic areas in Canada recorded advances in August over the preceding month. The Financial Post Regional Indices in these three areas, the Maritimes, Quebec and Ontario, in August, reached new high levels for the period since the record was started in 1925. The greatest advance was 3.3% in Ontario.

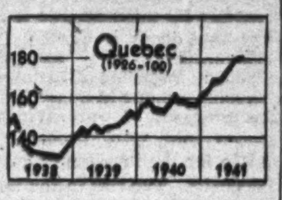
Compared with a year ago, substantial increases are shown by all five areas, the gains per cent being: Maritimes, 24.7; Quebec, 13.2; Ontario, 22; Prairies, 25.2; and British Columbia, 15.8.

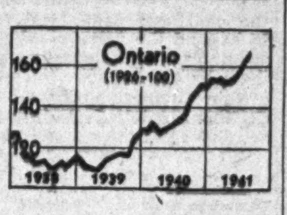
Trend of Business in Economic Areas

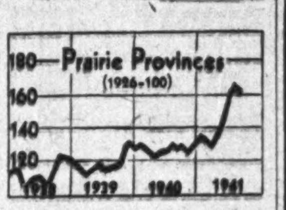
	Aug. 1941	% Change from Aug. 1940	July 1941
Maritimes:			
Constr. contr. ...... $	6,411,000	+65.7	4,460,000
Bldg. permits ...... $	2,438,000	+245.8	599,000
Life ins. sales ... $000	2,477	+12.8	2,530
Bank debits . $000,000	78.0	+21.1	75.4
Elec. pwr. .. kw.h.000	2,620	+9.4	2,641
Employment*	163.9	+32.2	152.4
Index	179.3	+24.7	176.1
Quebec:			
Constr. contr. ...... $	8,882,000	—50.5	9,967,000
Bldg. permits ...... $	2,184,000	—27.4	2,636,000
Life ins. sales ... $000	7,790	+11.8	8,556
Bank debits . $000,000	928	+28.2	907
Elec. pwr. .. kw.h.000	31,262	+34.7	30,646
Employment*	161.8	+27.8	157.3
Cotton consump., lb.	14,595,435	—9.1	16,907,649
Newsprint prod., tons	293,054	—7.4	293,483
Index	181.0	+13.2	180.5
Ontario:			
Constr. contr. ...... $	14,136,000	+31.4	12,249,000
Bldg. permits ...... $	4,901,000	—12.0	6,431,000
Life ins. sales ... $000	12,518	+25.4	14,206
Bank debits . $000,000	1,383	+24.9	1,426
Elec. pwr. .. kw.h.000	27,869	+11.9	27,165
Employment*	166.0	+28.1	161.9
Livestock slaughter.*	257.9	+35.5	263.6
Pig iron prod. .. tons	105,795	+19.0	102,005
Auto. prod. .... no.	17,192	+22.9	24,654
Index	168.3	+22.0	163.0
Prairie Provinces:			
Constr. contr. ...... $	4,071,000	—46.7	3,255,000
Bldg. permits ...... $	1,570,000	+13.2	1,940,000
Life ins. sales ... $000	4,282	+33.6	4,541
Bank debits . $000,000	547	+42.4	622
Elec. pwr. .. kw.h.000	5,240	+12.2	5,120
Employment*	132.5	+15.3	128.3
Wheat receipts .. bu.	20,133,000	—43.4	27,407,000
Wheat prices**	73/2	+1.4	74/5
Index	161.2	+25.2	166.2
British Columbia:			
Constr. contr. ...... $	2,623,000	+220.3	2,024,000
Bldg. permits ...... $	1,032,000	+7.7	1,298,000
Life ins. sales ... $000	2,068	+17.3	2,366
Bank debits . $000,000	213.4	+20.0	210.7
Elec. pwr. .. kw.h.000	6,813	+16.0	6,501
Employment*	139.2	+21.3	134.9
Index	150.4	+15.8	150.7

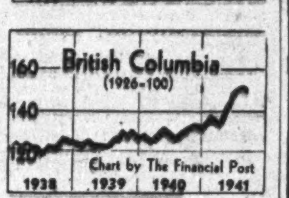
*1926 equals 100. Employment statistics apply to the preceding month.
**Cents and eighths of a cent per bushel.











August Cotton Use Drops

39,808 Bales Consumed by Canadian Mills, July Record 16,852

From Our Own Correspondent

MONTREAL.—Decline in cotton activity during August is revealed by the Cotton Institute of Canada compilation on cotton bales opened by textile mills during the month.

There were 39,806 500-lb. gross weight bales opened during the month, compared with the July record total of 46,852 bales and 40,576 bales in Aug., 1940.

There were one and a half fewer working days in August than July, which was responsible to some extent for the decrease. Contributing also were hold-ups because of labor difficulties and generally lower mill efficiency during August.

The August total was the lowest since September last year when 39,092 bales were opened, despite a large backlog of orders on hand.

The institute index of activity adjusted for seasonal variations stood at 156.6 in August, against 180.8 in July and 157.7 in Aug., 1940.

Cotton Consumption
(500-lb. gross weight bales)

	1941	1940
Dec.	......	43,554
Nov.	......	43,756
Oct.	......	44,787
Sept.	......	39,092
Aug.	39,808	40,576
July	46,852	42,958
June	43,721	41,207
May	45,183	45,020
April	46,404	43,784
March	45,515	44,464
Feb.	44,911	43,455
Jan.	42,268	38,952
8 months	354,662	340,416
12 months	......	511,605

Foreign Exchange

During the week Sept. 23 to Sept. 29 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Sept. 29

Australia ...	3.58	S. Africa ...	4.47
India	.3353	Hong Kong .	.2835
N. Zealand .	3.61		

A CHECK-UP OF YOUR INVESTMENTS

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Canada's Expenditures In Relation to Interest Rates

A discussion of Canada's current estimated expenditures and their effect on interest rates, is contained in the October Investment Letter. Write for a copy.

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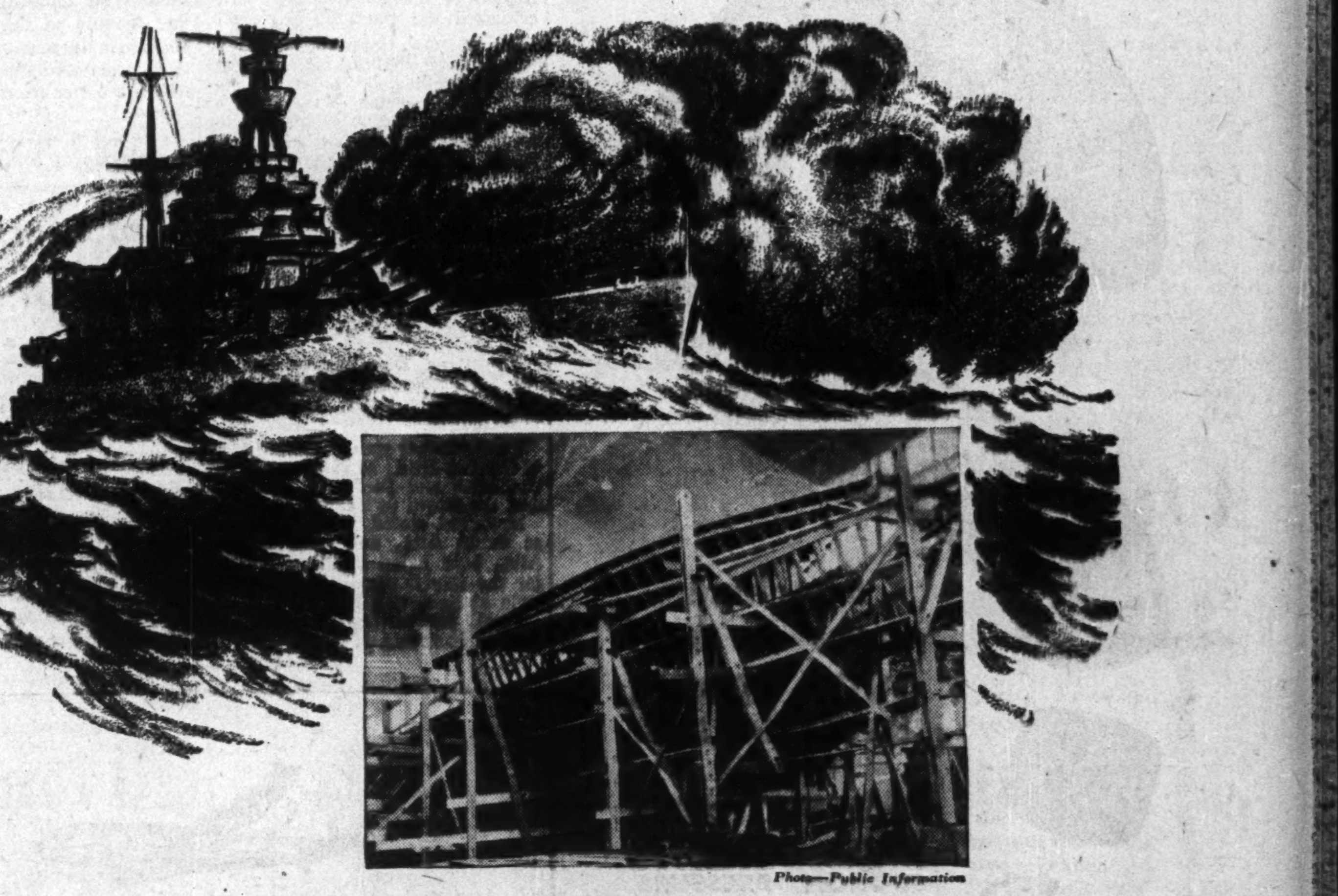

Photo—Public Information

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Britain has asked for them and, to the best of her ability, Canada will supply them . . . ships, tanks, aircraft, guns and the men to man them. No contribution or sacrifice is too great to ask, to hasten the day of Victory . . . to preserve the free way of life.

To fulfill this obligation, the industrial production of Canada has been stepped up to an all time high, but further expansion will be necessary. To house these vital war industries, old buildings must be renovated and new extensions built. These buildings will need complete protection from the weather.

This is no time to risk roof failures — valuable stocks may be ruined or production slowed down. The best safeguard is a Barrett Specification Roof. The combined experience of architects, engineers and roofing contractors over the past eighty-seven years has proved the outstanding qualities of Barrett felt, pitch and gravel built-up roofs. The materials, specifications and application methods used in these roofs assure a durable, serviceable, stable and practical type of roofing membrane that defies the weather. Today, there are many Barrett roofs 30, 40 and 50 years old and still giving trouble-free service.

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Banking

Quiet Stock Markets Restrict Call Loans

Slight Upturn in Midsummer Leaves Volume of Borrowing Below Last Year's and Down Substantially From Two Years Ago

Although there have been signs of greater activity on the Canadian stock markets trading has not yet assumed sufficient volume to have any appreciable effect on the demand for call loans from the chartered banks.

Call loans in Canada in July, the last month for which figures are available totalled $33.8 millions compared with $32.7 millions in the previous month and $38.4 millions in the corresponding month last year. Outside Canada they were $43.5 millions compared with $44.6 millions in June and $38.7 millions in July, 1940.

Volume Lower

These call loans have not been nearly as important a factor in bank profits in recent years as they were before the stock market crash in 1929, when a large volume of speculative trading in securities was being done in both Canada and the United States. For instance in July, 1929, call loans in Canada totalled $273.1 millions about eight times what they are to-day, while call loans outside Canada were $305.4 millions, about the same proportion of the figure for last July.

For the first eight months this year the number of shares traded in on the Toronto Stock Exchange was a little over 33.1 millions against 50.2 millions last year. The value of the transactions was $48.1 millions compared with $97.6 millions for the same period of 1940. In Montreal, share transactions in the first eight months of 1941 totalled 3.0 millions against 8.5 millions last year and the value was about $31.5 millions compared with $77.1 millions in 1940. Brokers loans it is understood are showing the same trend. Brokers loans on securities for the first six months of 1941 were approximately $97 millions against $166.5 millions in the same period of 1940.

Repayable at Once

Call loans derive their name from the fact they can be called at any time. That is the lender can demand the payment of the loan at any time. They can accordingly be converted into cash as soon as the need arises. Thus when a loan is called the borrower must raise the money somewhere, even if he has to sell his securities for what they will bring. Because they may have to be turned into money quickly they must be readily marketable.

These call loans as a matter of fact are regarded in some quarters as a sort of secondary reserve of the banks. They earn usually a moderate rate of interest which varies with the demand, yet can be called back on a moment's notice.

In times of great stock market activity the rate of interest on call loans fluctuated from day to day and even during the day especially on the New York market.

If the stock markets should some day resume some of their old time activity it is probable the demand for call loans would increase in proportion.

The following table shows the call loans in and out of Canada from Jan., 1940 to July, 1941.

Call Loans in Canada
Millions of Dollars

	1941	1940	1939
January	35.8	47.7	62.6
February	33.9	56.6	60.4
March	35.1	51.8	55.7
April	31.2	54.0	54.4
May	29.4	44.3	55.1
June	32.7	39.0	52.4
July	33.8	38.4	51.2
August	...	37.5	49.1
September	...	37.5	51.1
October	...	40.9	53.4
November	...	41.3	55.5
December	...	40.2	52.8

Call Loans Outside Canada
Millions of Dollars

	1941	1940	1939
January	38.3	47.8	56.1
February	38.6	48.7	54.4
March	49.5	50.6	49.4
April	42.5	57.0	43.9
May	41.9	39.8	49.6
June	44.6	40.0	41.9
July	43.5	38.7	42.6
August	...	38.4	41.8
September	...	50.9	52.0
October	...	42.5	46.2
November	...	35.3	45.3
December	...	42.2	48.6

Weekly Bank Clearings

	Sept. 25 1941 $	Change Year Ago %	Sept. 18 1941 $
Halifax	3,449,195	+32.0	3,653,928
Saint John	2,032,325	+10.2	2,135,818
Moncton	1,148,843	+23.9	1,130,534
Quebec	5,277,348	+12.0	4,935,039
Montreal	116,659,339	+30.4	134,673,621
Ottawa	34,024,904	+24.0	35,684,890
Kingston	855,040	+18.4	745,145
Peterborough	691,849	+24.6	721,397
Toronto	129,862,134	+53.7	143,030,957
Hamilton	6,868,728	+26.7	7,228,358
Kitchener	1,175,436	+11.2	1,371,650
Brantford	1,022,758	+18.3	1,073,746
Chatham	625,105	+9.0	601,592
Windsor	3,499,612	+14.4	3,798,968
Sudbury	1,158,380	+7.1	1,063,537
London	2,588,653	+12.0	2,925,757
St. Catharines	1,336,000	...	1,357,589
Fort William	1,042,914	+34.3	1,033,537
Winnipeg	47,797,555	—9.0	49,203,618
Brandon	452,814	+10.1	506,430
Regina	5,521,385	—38.5	5,645,469
Moose Jaw	656,711	—12.7	733,179
Saskatoon	1,674,379	—1.9	1,709,845
Prince Albert	487,768	+35.6	441,671
Edmonton	5,686,305	+37.2	6,100,791
Calgary	6,596,738	+1.7	6,364,906
Lethbridge	600,104	+5.3	592,501
Medicine Hat	398,532	—0.8	438,860
N. W'minster	937,524	+23.9	847,889
Vancouver	21,216,234	+17.1	20,222,702
Victoria	1,993,218	+7.9	2,067,468

Public Utility Earnings

Canada Northern Power Corp.

	August 1941	August 1940
Gross earnings	$420,981	$402,106
Oper. expenses†	187,866	175,322
Net earnings	233,115	226,784
Eight Months Ended Aug. 31		
Gross earnings	$3,364,469	$3,360,967
Oper. expenses†	1,487,302	1,483,268
Net earnings	1,877,167	1,877,699

Note:—Operating expenses do not include income and profit taxes.

Bk. of Canada Assets Higher

Holdings of Bonds and Sterling Up—Dominion Govt. Deposits Rise

An increase of approximately $20 millions in total assets is shown in the weekly statement of the Bank of Canada for the week ended Sept. 24.

The increase was in holdings of sterling and United States exchange which were $13 millions higher, continuing the movement that has been in evidence for several weeks now. Holdings of short term government issues were about $6 millions higher.

Total deposits were up approximately $21 millions, due to increases in the deposits of the Dominion Government and the chartered banks. Payment of installments on income tax due in September as well as proceeds of war savings certificates sold were probably responsible for the increase in government deposits. The rise in the deposits of the chartered banks was probably to expand the reserves of these institutions against deposits made with them by the public.

Note circulation showed a small decline, possibly reflecting reduced activity at the tourist centres.

	Sept. 24 1941 $	Sept. 17 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	430,654,045	431,355,688
Rest fund	3,722,910	3,722,910
Depos.: Dominion	115,114,618	100,531,548
Banks	203,921,092	196,100,587
Other	8,635,187	9,661,973
Total deposits	327,670,897	306,294,108
All other liabs.	6,675,813	7,235,180
Total liabs.	773,723,665	753,607,886
Assets		
In sterling & U. S.	102,916,791	89,566,791
Subsid. coin	609,573	601,016
Advances	1,000,000	1,000,000
Investments:		
Dom. govt. short	511,474,244	505,621,730
Other Dom. govt.	145,617,114	144,434,061
Total invest.	657,091,358	650,055,791
Premises	1,819,166	1,812,466
All other assets	10,286,777	10,571,822
	773,723,665	753,607,886

Bank Chat

Canadian banks are experiencing ever increasing difficulty in getting suitable young men for their branch offices. Many boys of the age at which they would normally enter the service of the banks are joining the armed forces. Others again are finding employment in munitions plants where the current high rate of wages is attracting them.

Many of the younger men on the staffs of the banks are also leaving for the same reasons. While statistics are not available it is thought the air force is attracting a larger proportion of bankers than either the army or navy.

Vacancies are being filled in greater proportion by women and women in the tellers cage are becoming common.

* * *

J. M. Keynes, author of the Keynes plan, for compulsory savings is to become a director of the Bank of England.

At the semi-annual general court of the bank recently, Montagu Norman, governor, stated that Mr. Keynes name will be proposed at an election court in October to fill the vacancy caused by the death in an air raid of Lord Stamp. Mr. Keynes in the past has frequently criticized the Bank of England.

Mr. Norman himself, though 70 years of age, will not retire as governor he indicated. The court's ruling that no member of the board of governors should offer himself for re-election after he had reached 70 years he indicated was now hard to apply because the war made the selection of candidates more difficult. He urged that others who would retire next April under the age rule should also remain. These included: Sir Edward Peacock, Lord Kindersley and Cecil Lubbock.

* * *

The Bank Directory of Canada for September just issued shows three branch banks opened and three closed.

The branches opened were: Royal at Gander, Nfld.; Nova Scotia at St. Catherine and Peel Sts., Montreal, and the Royal at Leaside, Toronto.

Branches closed were: Montreal at Banff, Alta., and Lake Louise, Alta., both being branches opened for the tourist season; and Provinciale at Sackville, N.B.

Total number of branches in Canada is shown at 3,301.

Canada Speeds Ship Programme

In the big cargo boat construction programme being managed by the Crown company, Wartime Merchant Shipping Ltd., 14 keels have been laid to date, it is officially announced. These are for 9,300 and 4,700 ton ships. Orders for component parts include those for two of the largest propellors ever made in Canada, 13½ ton bronze giants, 18′ 6″ in diameter.

Cites Post to Remind Of War's Real Aims

"Canada's war effort as portrayed in last week's Financial Post is a tremendous thing," said Col. Irving P. Rexford, vice-president and managing director of The Crown Trust Company, Montreal, last week, referring to the 124-page presentation of the war effort, Democracy on the March. "It is tremendous in its achievements today and its potentialities for tomorrow. It indicates the struggle of this generation of healthy minded, strong-of-body citizens to maintain their freedom and secure a better future, free of war's alarms.

"But," went on Col. Rexford, who is chairman of Montreal Federated Charities' campaign to raise $752,000 for the work of 32 affiliated social agencies, "we must not menace that future by neglect on the home front.

"Businessmen have a great part to play in the campaigns like these. They can, out of their usually greater business returns, contribute more personally or through their firms and they can inspire their employees to give generously for the benefit of those who are too ill, or too young, or too old to work.

"There are two great calls being made upon us—to win the war, and to maintain on the home front the principles for which the battle front is fighting."

New Census Figures Show Decided Growth For Most Larger Towns

In a preliminary report, the Dominion Bureau of Statistics has announced tentative figures for population of some Canadian cities, towns and villages, as derived from the new census.

Herewith The Financial Post gives the figures: percentage gain or loss, 1941 census and 1931 census for those communities of over 10,000 population and for which the new figures are now available.

	% gain or Loss	1941 census	1931 census
Belleville	+11.6	15,391	13,790
Brandon	— 0.6	16,975	17,082
Brantford	+ 4.7	31,513	30,107
Brockville	+14.5	11,143	9,736
Charlot'town	+21.8	15,049	12,361
Chatham	+17.4	17,099	14,569
Cornwall	+23.6	13,751	11,126
Dartmouth	+15.1	10,472	9,100
Fort William	+15.4	30,317	26,277
Glace Bay	+20.9	25,049	20,706
Granby	+33.6	14,146	10,587
Guelph	+ 9.5	23,074	21,075
Kingston	+25.2	29,356	23,439
Kitchener	+14.9	35,367	30,793
Lethbridge	+ 5.6	14,238	13,489
Levis	+ 1.6	11,912	11,724
London	+ 9.3	77,763	71,148
Niagara Falls	+ 6.7	20,318	19,046
New Westminister	+23.0	21,560	17,524
Owen Sound	+ 7.3	13,774	12,839
Ottawa	+18.1	149,881	126,872
Peterboro	+11.5	24,903	22,327
Prince Albert	+24.1	12,290	9,905
Regina	+ 6.2	56,520	53,209
Saint John	+ 5.4	50,084	47,514
St. Boniface	+10.4	17,995	16,305
St. Catharines	+20.9	29,919	24,753
St. Hyacinthe	+31.8	17,726	13,448
Saskatoon	— 2.4	42,269	43,291
Sherbrooke	+22.7	35,487	28,933
Sorel	+17.8	12,156	10,320
Sydney	+18.3	27,314	23,089
Thetford Mines	+18.9	12,727	10,701
Valleyfield	+48.7	16,969	11,411
Victoria	+ 6.9	41,787	39,082
Welland	+15.4	12,362	10,709
Woodstock	+19.1	13,569	11,395

Northern Electric Co. Elect New Directors

From Our Own Correspondent

MONTREAL.—Paul A. McFarlane, vice-president of The Bell Telephone Co. of Canada, and T. K. Stevenson, president of Electrical Research Products Inc., New York, have been elected directors of the Northern Electric Co. They replace R. H. Gregory, resigned, and the late Rt. Hon. Arthur B. Purvis.

West Can. Hydro Control Changes

Ross Peers Heads New Board — R. M. Andrews Supplies Capital

VANCOUVER. — West Canadian Hydro Electric Corp., public utility corporation serving the Okanagan district of British Columbia, has been reorganized, with new financial control and a new board headed by Ross Peers, Chilliwack businessman.

Some of the capital for the new setup has been provided by R. M. Andrews, formerly engaged in the import business in Japan, who is now living in Vancouver. Both Mr. Andrews and his son are members of the new board. B. H. Gunning, managing director of Pemberton & Son, is vice-president, and Leon J. Ladner, Vancouver lawyer, are also directors.

The company has embarked on the construction of a new power unit at Shuswap Falls costing about $300,000, for which 5½%, 25-year debentures were recently marketed.

Members of the new board believe that West Canadian Hydro is now in stronger hands than ever before, and that it should be able to enjoy a greater degree of stability

Total gross revenue of the company from all operations last year shows an increase of $25,182 over 1940, with sale of electricity increased by more than 1,100,000 kilowatt hours.

Last year's revenue totalled $479,539, compared with $454,356 in 1940. Expenditures totalled $250,475 compared with $239,824.

The company has disposed of its holdings in Inland Ice & Cold Storage Co. so that it may engage exclusively in the public utilities field.

Ross Peers, B. H. Gunning and Leon J. Ladner were all members of the former board which also included E. A, Riddell, president, Lt.-Col. E. B. Westby and E. W. I. Keenleyside.

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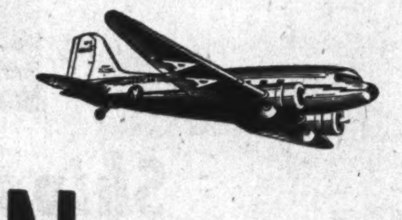

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RETURNING			
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Lv. Buffalo	9:20 am	11:25 am	6:20 pm
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The ROYAL BANK of Canada

Where Hitler Gets His Oil

No Mystery When His Thefts Accounted For

By ARTHUR D. ELLWOOD
Investment Editor, The Financial Post

Where has Germany been getting the oil for her air, land and sea fleets?

For years, Hitler's enemies have taken comfort in his apparent gasoline poverty. Authorities — and not quite authorities — have prophesied confidently on the basis of that oil poverty.

But the Hitler battalions have roared on. What is the explanation? Where has the oil been coming from?

Herewith The Financial Post brings together the most authoritative information on this matter that is now available.

The evidence does not show that Germany is going to collapse in the near future because its mechanized legions run out of fuel, its factories halt because of lack of lubricants.

But there is sound reason to believe that Germany is feeling the pinch and that a major reason for attacking Russia was a desperate attempt to reach Russia's large crude oil supplies with production 212,909,000 barrels in 1940, more than all of Europe, including synthetics, substitutes and accumulated stocks, could muster.

Whaley-Eaton Foreign Service recently said of Germany's oil supplies:

"While it is impossible to estimate the extent of Germany's remaining oil supplies, it is certain that her oil consumption in the Russian campaign has been very heavy, and that her present oil resources are quite inadequate for operations to be continued indefinitely on the present scale. Unless Germany can reach the Russian oil wells in the reasonably near future, and find the wells, refineries, storage tanks and pipelines in fairly good condition, she will inevitably run into acute shortage of oil. It is this possibility—that either Germany will fail to reach the oil, or will fail to exploit the wells if she does reach them—that the chief hope of a comparatively early end to the war exists. The obvious corollary is that, if Germany is allowed to gain possession of the Russian oil resources and make full use of them, she will be enabled to increase her striking power to such an extent that her prospects of final victory will be greatly enhanced.

"The Germans are still hundreds of miles from the main Russian oilfields, and the chances are that winter will set in before they can approach them. But if the worst came to the worst, the Russians would have plenty of time to do a thorough job of destroying the wells, the whole of the installations, etc. This would have to be done carefully and it might take two or three weeks to do the job scientifically, but there is every reason to believe that the Russians would make the supreme sacrifice."

As Whaley-Eaton points out, anything approaching exactness in estimating Germany's present position with regard to oil supplies is not possible. But statistics are available which illustrate how Germany and Europe under her domination is getting along with what it has. The U. S. magazine, Fortune, brought these statistics together recently and The Financial Post is indebted to Fortune for much of the following material.

Frantic Explorations

Energetic exploration of oil sources in Germany itself had by 1938 brought output to about four million barrels, or less than 8% of that year's consumption. Between 1933 and 1938, Germany had doubled its crude oil output and was not even then producing at its maximum. For Germany believed rightly that the best storage place for crude oil was in the natural underground reservoirs and did not try to bring actual output to the maximum so long as imports were possible.

In the meantime all consumption that did not contribute directly to equipment for war was stifled. Gasoline was mixed with benzol and liquid gas, by-product of the synthetic industry, was used for all trucks and buses over 1½ tons.

Synthetic Programme

This was subsidiary to the long-term policy of synthetic oil production. Germany made long-term contracts with coal and chemical companies undertaking to purchase for many years the output of synthetic oils at prices that would permit amortization of the expensive equipment and construction cost of plants required. Industry was told where the plants were to be located and exactly what products they were to make by the Reich's central oil-planning and oil-control agency.

By 1939, 25 synthetic plants were in full operation, with more under construction. Germany's 1938 output of synthetic petroleum products was at least 10 million barrels, or nearly a fifth of the country's consumption, and 1941 production is estimated by Fortune at over 30 million barrels.

Synthetic oil production depends on ample supplies of coal and is therefore only possible for Germany, England and other countries with ample coal resources.

Capture Stocks

France planned to build synthetic oil industry but abandoned the attempt because she had to import coal as well as oil. France accumulated large stocks of petroleum products, a fact for which the Germans were duly grateful when they conquered the country so speedily.

Much the same is true of Belgium and Holland. In all these countries Germany found large stocks of oil.

It is estimated that Germany's army and Luftwaffe used not more than 12 million barrels of gasoline, Diesel oil and lubricants from the beginning of the Battle of Poland to the fall of France. But stocks captured in Norway, France and the Low Countries are estimated at 20 million barrels, leaving Germany well ahead.

GERMANY'S OIL BALANCE SHEET

	Barrels
Estimated prewar German stocks....	34,000,000
Add annual production from all sources:	
Germany's crude output (including Austria and Czecho-Slovakia) ..	5,381,000
Germany's output synthetics and substitutes	31,000,000
Roumania	43,231,000
Poland	3,891,000
Hungary	1,755,000
Albania	1,659,000
Baltic States—synthetics and substitutes	1,500,000
Italy—crude oil	57,000
Italy—synthetics and substitutes..	1,500,000
France—crude oil	496,000
France—synthetics and substitutes	1,500,000
Jugoslavia	14,000
Annual output plus prewar stocks...	125,984,000
Add: Stocks captured in France, Norway, Low Countries	20,000,000
Total available	145,984,000
Less: Estimated German army and Luftwaffe consumption from Battle of Poland to fall of France...	12,000,000
Minimum 1941 needs of Germany, Italy, conquered and satellite countries	115,000,000
Estimated balance end of 1941......	18,984,000

Note: Figures for the above tabulation taken from Fortune, which in turn is indebted to World Petroleum and the Oil and Gas Journal and statistics and material gathered by Walter Levy, New York. The balance shown for the end of this year probably does not make adequate allowance for accelerated consumption in the war with Russia which may be offset by underestimates for output and allowances for increases under war stress. Moreover, estimates of Germany's prewar stocks can only be tentative and have run as high as 50 million barrels.

Germany has taken into her fold Poland which had reached self-sufficiency in oil before the war, Roumania with a large export balance and Hungary, also self-sufficient.

Italy Bare of Oil

Italy is far from able to supply her own needs, being dependent on Albania's output of perhaps two million barrels annually and what small synthetic and substitute supplies she can produce herself or persuade Germany to let her have. Italy's minimum wartime needs would be at least 20 million barrels annually. Even her synthetic plants depend on imported coal.

Even without the stocks captured last year, it is estimated that Germany's supplies were enough to squeeze along on for an indefinite time. It was far from a comfortable supply. It depended on careful use of pre-war stocks accumulated from imports which ran to 41 million barrels for Germany itself in 1938. It required widespread substitutes such as mixing alcohol or benzol with gasoline; the introduction of compressed gases as motor fuel; the use of "gasogenes," wood or charcoal burning units that generate combustible gases. It meant use of castor oil, olive oil and other vegetable products as lubricants.

Lubricants may prove to be a more serious lack to Germany than gasoline or fuel oils. Careful estimates place Europe's minimum requirements for lubricants this year at eight million barrels. The German synthetic industry has so far failed to turn out lubricants on a commercial scale although there is no particularly difficult technical problem involved. It is more a matter of cost and lack of plant capacity after fuel requirements are provided.

Starve Conquered Countries

In conquered countries, Germany has reduced oil consumption by two-thirds or three-quarters down to the irreducible minimum below which agricultural and industrial production is throttled. France and the Low Countries were probably allowed from 17 to 20 million barrels annually after the conquest compared with their ordinary pre-war use of about 70 million barrels. Similar cuts were made throughout Europe. Italy has recently eliminated the small remaining gasoline ration for private cars.

Even this did not suffice to make annual output meet minimum needs. For 1941, German Europe would require at least 115 million barrels but the most optimistic estimates of output come only to about 100 million barrels, leaving a year's shortage of 15 million barrels. This has to come from accumulated stocks and captured supplies.

Russian War Needs

It has been said that Germany's supplies, plus production from all sources, can be made to do. But this is hardly true if fighting on the widespread scale that has prevailed in Russia continues indefinitely. To organize supply lines from Rumania, Poland, Hungary, Europe's main sources of natural crude oil, is difficult and slow. For example, Rumania before the war depended on moving its oil through the port of Constanta, now cut off by Britain's control of the Mediterranean. The Danube is frozen for a month or two every winter—last winter it was closed for three months. Frantic efforts to increase railway trackage in Hungary and build pipelines to shorten the Danube barge haul have probably only been partially successful in easing the transport problem.

Moreover, British and Russian bombs have not done synthetic oil plants any good. Their destructive force on transport systems may have been even more serious.

Germany is apparently racing against time to capture Russia's oil, badly needed to continue a Europe organized for war and essential if Germany's new order is to spread outside of Europe as Hitler plans.

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Minnesota & Ontario

I notice The Financial Post quotes Minnesota & Ontario 5% bonds, due 1960. I hold that company's 6% bonds, due 1945, and as I have been unable to get any information on the position of the company in London (Eng.), I would appreciate learning the relation of these 5% bonds to my holdings.

On Feb. 28, 1941, a reorganization of Minnesota & Ontario Paper Co. was completed. Under the scheme holders of the 6% first mortgage bonds of the old company, due 1945, which you now hold, were exchanged for new securities and cash. Holders of each $1,000 principal amount of the 6%, series A bonds, due 1945, received $500 principal amount of new 5% income bonds, due Jan. 1, 1960, 40 shares of new common stock and $7.50 in cash.

The cash payment was made to equalize interest accrued because of the different dates on which default was made on different series of original first mortgage bonds. Holders of bonds, or certificates of deposit, residing in Great Britain can forward their securities through the London branch of the Bank of Montreal. The exchange agent for the company is Halsey, Stuart & Co., 201 South La Salle St., Chicago.

The new 5% first and collateral mortgage income bonds of the present company are the senior obligations and secured by first claim on assets. Interest is cumulative from Jan. 1, 1940, and payable annually in U. S. funds on May 1 of each year, beginning May 1, 1941. It is provided that interest is fully cumulative whether or not earned; all unpaid interest being absolutely due and payable on Jan. 1, 1960, or any earlier date as the principal shall become due through default. The interest payment due May this year was paid. The reorganization resulted in a reduction in the company's funded debt from $27.9 millions to $12.2 millions. Bondholders obtained all the equity as the courts ruled that there was no balance available for former shareholders.

The new 5% income bonds of this company are quoted in Toronto now at approximately 90 to 92. The new common stock is quoted at around $4.15 to $4.30 a share. The quotations which The Financial Post has been running recently have been for the new bonds.

Moore Corporation

I would appreciate information on the earnings outlook and record of Moore Corporation.

Moore Corp. is a Canadian company which does about 90 per cent of its business in the United States. It makes business forms and small boxes and in the former field it is the dominating unit in the United States. The Company has built up a strong financial position and has a record of steady increases in earnings over the past several years.

Fluctuating directly with U. S. business activity operations of Moore Corp. are currently reported at capacity, with orders on hand so large as to bring a constant search for ways of increasing output.

Shareholder's position is complicated by the new increase in the United States withholding tax. Now 27½% of the dividends received by the Canadian parent company, the tax has been raised from the 5% level prevailing at the beginning of this year. There is a possibility that a new reciprocal tax arrangement will be made with the United States which should ease the burden on Moore Corp. and other firms in the same position, if it can be effected.

Meanwhile, the increased earnings leave a good margin over the current dividend rate on the common of $2.22 per share. In 1940 the common earned $3.72 per share, and preferred dividends were earned eight times.

International Petroleum

In your opinion, what basic changes have occurred in the position of International Petroleum Co. as a result of the war? Has the investment value of the stock been seriously affected?

International Petroleum Co. is a subsidiary of Imperial Oil. It is an important producer of crude oil in South America where it owns fields in Peru and Colombia and since 1937 has taken additional crude under contract from Venezuela. A substantial portion of production is refined for the local trade and the balance exported to other parts of south and central America, Canada and Europe. In pre-war days about one-quarter of exports went to Europe but most of this market was lost in the last year. Partly it has been offset by increased takings to Canada. The company is now paying dividends at an annual rate of $1 a share, a basis which brings payment reasonably well in line with probable earnings which amounted to 94 cents a share last year. Like its parent company, Imperial Oil, this concern had followed a policy for a number of years which meant a return of capital to shareholders. There have been some signs of better crude oil prices recently and it appears that South American producers are getting better markets. This company's financial position is strong.

Union Gas

What is the recent trend of earnings for Union Gas Co. of Canada? As a shareholder, I would appreciate any comments you may care to make on the company.

Union Gas Co. of Canada serves a number of communities in southwestern Ontario, and jointly with another company supplies natural and manufactured gas to the Hamilton district. Normally one of the most stable and generally prosperous areas of the Dominion, the Union Gas territories have in the past year experienced a marked increase in industrial activity. Added demand has become sufficiently important to threaten the pressure ratios in the company's gas system, particularly when joined with the seasonal peaks of domestic consumption.

In consequence, a contract has been entered into with Imperial Oil Ltd. at Sarnia for the use of refinery gas. Union Gas has let contract for a gas-cleaning unit for the new agreement and work has started. The added gas reserve obtained will be equal to about 30% of normal demand.

Earnings for the latest fiscal year ended Mar. 31, 1941, were above the previous level in operating profits. Higher taxation brought net per share down to $1.41 from last year's $1.60. In the three months to June 30, 1941, operating earnings fell to $256,740 from $359,925 in the corresponding quarter of 1940. Unusually mild weather is blamed for the decreased earnings.

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Britain Now Building Her Own Air Training Plan in Canada

By STAFF WRITER

OTTAWA.—When Air Vice-Marshal G. O. Johnson, Deputy Chief of Air Staff, announced over a CBC network recently that a "new and greater blueprint" of the Commonwealth Air Training Plan had been handed the R. C. A. F., he loosened the string to let a very important cat out of the bag.

Vice-Marshal Johnson said that so greatly was the Training Plan being enlarged that construction on new fields and schools was now as active as at the peak of construction under the original plan. He said that production, even from present schools, would be vastly enlarged.

Subsequent information from the Air Ministry discloses that actually there has been no expansion in the number of Commonwealth Air Training Plan elementary and service schools as laid down originally in Dec., 1939. There has been a stepping up in personnel and in production of air crew, pilots, etc., and a speeding of the instruction period, but no expansion in the number of training schools.

R. A. F. Trains Here

What has happened—and this is the significant fact which Vice-Marshal Johnson thinly disguised—is that Canada has become (in addition to the centre of an empire training scheme) the centre of training for an increasing and very substantial number of R. A. F. pilots.

It is true (as Vice-Marshal Johnson stated) that construction activity on air training buildings, schools, hangars, etc., is as great now as at the peak.

Technically this new building programme is under the direction of the Commonwealth Air Training Plan.

Actually it is new building for the R. A. F. and when completed will look after the needs of a new and far-reaching training programme for the training in Canada of U. K. airmen.

All kinds of training will be given in these schools. They will parallel in many ways the type of training being given to personnel in the Commonwealth plan. But all of them will be operated and manned by R. A. F. and not by those who now administer the Commonwealth plan.

Britain Pays Whole Cost

Unlike the Commonwealth plan Britain is being charged for the entire cost of these schools. In them all types of training will be carried on—elementary training, navigation, reconnaissance service flying schools, etc.

As far as the Commonwealth plan is concerned there has been no recent stepping up in rate of production or in the building programme. The original building schedule has been completed without expansion in the number of training centres. Some additions have been made by way of manning pools, link trainer schools, trade schools, etc., but these have not materially altered the basic programme as originally laid down nearly two years ago.

Population in these schools has been stepped up as housing and other accommodation has been available. The length of training has been compressed and pressure exerted all along the line to produce greater numbers of air crews more quickly than was at first intended.

This stepped-up programme was to have reached its peak or maximum this September, but it will be some time yet before the maximum will be reached.

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This particular incident happened in New Jersey, but Bell Telephone operators are the same *wherever* you find them; courteous, alert, determined to maintain the highest standard of telephone service and particularly under the stress of wartime conditions.

On Active Service

Giving Wings to Words

THE BELL TELEPHONE COMPANY OF CANADA

How Racketeering Hits Labor Unions

Time Reports on State of Gangsterism in Green's A. F. of L.

The Financial Post herewith reprints from the U. S. news magazine Time a report on the A. F. of L., which holds its annual meeting in Seattle next month. Canada avoided fairly successfully an infestation of gangsterism of the straight Capone type. How successfully is Canada avoiding labor racketeering of the type currently besetting some powerful branches of the A. F. of L.?

Shall song and music be forgot
When workingmen combine,
With love united may they not
Have power almost divine?
Shall idle drones still live like kings
On labor not their own;
Shall true men starve, while thieves and rings
Reap where they have not sown?

This song, to the tune of Auld Lang Syne, is sometimes sung in American Federation of Labor meetings.

Certain Congressmen came to the conclusion last week that something had to be done about the great A. F. of L.

President William Green's federation is infested with racketeers, as C. I. O. is plagued with Reds. Since A. F. of L. leaders seem little inclined to do anything about it, Congressmen, following the lead of Assistant Attorney-General Thurman Arnold got ready to move in.

Besides adding heavily to the cost of the defense programme, A. F. of L. racketeering (according to Arnold's estimate) costs the U. S. a billion dollars a year. It lays its heavy, sweaty hand on everyone, from cabbage-eaters to movie kings. This week, as Willie Bioff, an ex-pimp, and George Browne, a vice-president of A. F. of L., awaited trial in New York's Federal Court for allegedly extorting half a million dollars from four motion picture companies, farmers coming into Manhattan were shelling out to A. F. of L. unioneers for the privilege of unloading perishable produce from their trucks. In Thurman Arnold's files are stories of fees extorted, flow of trade blocked, employment restricted by A. F. of L. unions—holdups which have added hundreds of thousands of dollars to the cost of building roads, factories, houses, defense plants.

Oppressive Restraints

In addition to racketeering jurisdictional fights have resulted in oppressive restraints on U. S. industry. Building trade unions have blocked improved methods of construction. Hod carriers and operating engineers have prevented the use of ready-mixed concrete and mechanical truck mixers. Carpenters have fought the introduction of prefabricated parts. Such obstructions have been justified by A. F. of L. leaders on the ground that they must protect their members from technological unemployment. But there is more than a suspicion that A. F of L. leaders, in many cases, are more concerned about their own jobs than their men's. A shift in methods might mean the end of a craft, the collapse of a union, the disintegration of a dues-paying membership.

Sitting in his shirt sleeves in his small office in Washington, President Green reads of these things with the resigned air of a man who has heard it all before—as in fact he has: ever since 17 years ago when he was raised to the decorative presidency of A. F. of L. In those years he has reached some philosophic conclusions: that boys will be boys; that no one is perfect; that in the long run the laws of economics will fix things up; that, besides, he couldn't do anything about it if he wanted to. The thing that gets him excited is the insinuation that he has been an accessory, before or after the fact, in any crookedness. That is unjustifiable slander. Mr. Green makes the windows rattle with his shouts of self-defense. Wer all bankers crooked because Richard Whitney went to prison? he asks. Is Mr. Green a crook because there are a few irrepressible extroverts among the 4,247,443 paid-up members of his union?

Questions Unanswered

Mr. Green's rhetorical questions go unanswered. Observers, more interested in Mr. Green's organization than in Mr. Green, go on opening doors and peering into some dark closets.

The infant A. F. of L. which broke away from the Knights of Labor in 1886 was no idealistic organization. It was a business proposition—"pure and simple unionism"—set up for economic improvement of its members. After a time that business proposition sprouted some fungi.

Business leaders discovered that some labor leaders, for a price, would co-operate in destroying competitors. That was the beginning of labor racketeering. Sam Parks, Skinny Madden, Bob Brindell. Al Capone, Tom Maloy, "Joe the Greaser" Rosenweig, "Dopey Benny" Fein, Louis Lepke, Jacob Shapiro, et al strewed the industrial U. S. with wrecked property, spoiled vegetables, stink-bombed theatres, ruined laundry, the bodies of innocent bystanders, of fellow goons, of banditti who opposed them.

The same sort of fungi can still be found sprouting palely in the darker, danker corners of A. F. of L. For instance: "Umbrella Mike" Boyle. During the lush war years, Mike collected thousands of dollars in "insurance premiums" for guaranteeing that his Chicago electrical workers would not strike. He served two months (on a year's sentence) in the clink for conspiring to break the Sherman Anti-Trust Act. But last week he was still running the Chicago electrical workers.

His Take "Terrific"

Also in Chicago is fat-faced Max Caldwell. From a lowly start as a waiter-bouncer and an unsuccessful organizer of hat-check girls and nightclub entertainers, Mr. Caldwell bounced into the food store field where his take in dues and initiation fees was said to be terrific.

Branching out he tried to swallow up a small union of hair wash demonstrators. Caldwell men made such alleged threats as: "Nice lookin' legs you got in them silk stockings, babe. How do you think they are going to look when we break them for you?" But the hysterical women raised such a shriek that Mr. Caldwell retired. Anyhow he soon had his hands full with his store clerks, who had revolted and were demanding an accounting of some $910,000 which they had paid to Mr. Caldwell in dues. Further embarrassing Mr. Caldwell, State officials raided a safe-deposit box and found a cache of jewels, including a diamond-studded union pin worth $1,000.

The rebelling clerks were rebuffed by Mr. Green, who snorted: "(They) are a small, impatient group and a good example of the type we have to deal with when we are trying to do something constructive." So far Leader Caldwell, although he has been ousted from the Chicago Federation, has not been publicly repudiated by Mr. Green.

To Pittsburgh some years ago went hard-boiled sleek-haired Nick Stirone. There he set about organizing the hod carriers and common laborers. He moved in on Pennsylvania's vast dam and road building programme.

"Reign of Terror"

When farmers refused to pay the Stirone organization a fee for working on the projects, a reign of terror was begun which finally ended in the trial of Stirone unionists—but not Nick. From the stand, Stirone was accused of telling an aide that he wanted a contractor and two C. I. O. organizers murdered, that he wanted people to "shiver in their boots when Nick Stirone was mentioned." Last month Stirone was hauled into court by the business agent of laborer's local, who wanted Nick put under bond to keep the peace because "he said he would cave my head in." But last week Nick was still doing business as the president of his A. F. of L. local.

The law has put its finger on many another A. F. of L. figure: Jake ("The Bum") Wellner, business agent of the Brooklyn painters; Sam Kaplan, on the executive board of Local No. 306, New York Motion Picture Machine Operators; John J. Dempsey, international treasurer of the iron-workers. Though a little brown around the edges their careers have not been blighted. President Green has shouted "We disavow racketeering, gangsterism, and disregard for law most emphatically and without reservation" — but they still have their jobs.

"Beyond the Law"

By a recent Supreme Court decision, certain coercive union practices, not out-and-out racketeering, were placed above and beyond the law. In that still-legal area flourish such robust A. F. of L. chieftains as William Hutcheson, Executive Council big-shot.

Hulking, button-eyed Big Bill Hutcheson has ruled the carpenters for 20-odd years. He has fought fellow chieftains in bitter internecine wars. The case which was taken to Supreme Court was a quarrel over whether his carpenters or Brother Harvey Brown's machinists should install machinery in Anheuser-Busch's brewery. One of his colleagues whom Hutcheson has fought is Brother Dan Tobin, head of the powerful A. F. of L. teamsters. With 500,000 teamsters in his union, Dan Tobin is in a tactical position to tie up almost any job there is.

President Green admits his impotence when it comes to settling brawls between such behemoths. The various national and international unions, loosely bound together as a "federation," are autonomous, a law unto themselves. The best that aging Mr. Green can do is to distract the public's attention from their wasteful and costly conflicts by incessantly standing on his head, like Father William, and emitting such soothing cries as: "The officers and members of the American Federation of Labor are irrevocably committed to the preservation of our common heritage, individual liberty, our democratic form of government and our democratic institutions at any cost."

Rule With Heavy Hand

But inside Mr. Green's A. F. of L., democracy frequently gets pushed around. Heads of the autonomous unions rule their bailiwicks with a heavy hand. This week, the hod carriers and common laborers meet in convention for the first time in 30 years. One of the things convention delegates will ask for: an accounting of millions of dollars which they have been paying in dues.

William Green is part of an entrenched A. F. of L. hierarchy, which will fight to the bitter end any attempt to dislodge it. Purge, shake-up, expulsion mean disruption of the whole carefully erected structure. William Green draws $20,000-a-year salary but heads of some of the national and international unions do even better. James Caesar ("Mussolini") Petrillo, dark, arrogant son of a ditch-digger and the all-powerful boss of 138,000 musicians, collects $46,000-plus a year.

Next month, big and little shots will march to Seattle for A. F. of L.'s 61st annual convention. Marching obediently behind will be rank and file delegates. President Green and the hierarchy will be re-elected. Questions of racketeering, jurisdictional disputes, monopolies may come up, some action may be taken. But not much. Indications were last week that George Browne would be ousted from the Executive Council by the simple device of eliminating the vice-presidency which he now occupies. But it was a safe bet that A. F. of L., corrupt and contented, would not willingly change its spots.

Goodyear Net Turns Upward

Sale of Goodyear Tire & Rubber Co. of Canada for the first nine months of the current year have been substantially greater than during the same period of 1940, reports A. G. Partridge, president. All three plants have been working at practical capacity throughout the year.

The large turnover, he states, "has affected our profits very satisfactorily, even though an ever increasing share of our business is for the government and in spite of greatly increased taxes."

Apparently this indicates shareholders can expect earnings for 1941 higher than last year's $4.25 a share on the common and encourages hope for another extra this year when results for the full year are known.

Goodyear Chiefs Gather From 'Round the World

Meeting in Canada for the first time production and development executives of the Goodyear Tire and Rubber Co. factories from all over the world have been conferring at the firm's New Toronto plant to discuss manufacturing problems arising from war needs. Some of the officials, pictured left to right, are A. W. Denny, superintendent of the New Toronto plant; W. J. Condon, Sydney, Australia; E. T. Ruffner, Java; F. J. Carter, Brazil; R. L. Patrick, Argentina and E. H. Koken, vice-president of the Canadian company.

Maritime Tel. Keeps Up Pace

Installations and Long Distance Toll Traffic at New Peaks

From Our Own Correspondent

MONTREAL.—Telephone stations installed on the system of Maritime Telegraph and Telephone Co. have passed the 50,000 mark for the first time in the company's history.

At the end of August there were 49,832 subscriber stations, net increase during the month of 296. At the beginning of the year there were 46,618 stations in service so that the cumulative net gain for the first eight months of 1941 totals 3,214.

Toll Traffic Heavy

Long distance toll traffic has recorded an even more pronounced gain. The volume of completed calls for July, totalling 179,951, being 36,588 more than in the corresponding month last year.

The Island Telephone Co., a subsidiary serving Prince Edward Island also reports marked expansion in operations. At the end of July there were 4,612 stations in service, a net gain during the month of 13 and a new high record.

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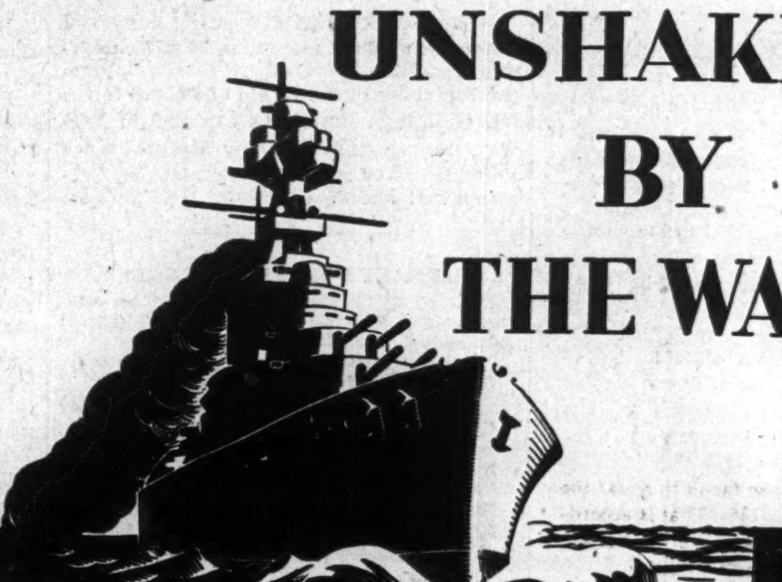

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BRANTFORD CANADA COCKSHUTT AIRCRAFT DIVISION

Among the first to answer the call for more and more supplies for Canada's fighting men, COCKSHUTT MUNITIONS DIVISION was in the vanguard of Canadian industries which were prepared to lead an all-out effort. With time and quality counting for so much, Cockshutt was able to take full advantage of its heavy machinery and fine tool-making facilities and quickly get on with the job. Today the production of shells, army truck bodies and a wide variety of tools, gauges and parts for tanks and guns proceeds at peak capacity.

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Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 4, 1941 | 10c a Copy; $5.00 a Year | No. 40

What War is Doing to Your Way of Life

Higher Living Costs Forcing Sharp Changes in Standard of Living

By STAFF WRITER

When it comes to the cost-of-living—and who can get away from it?—the index fails to tell the story. It gives you only a general, partial picture of what the war is doing to the pocketbook and style of living of one class of Canadian citizen.

The effect of wartime costs of living has granted no exemptions. It has become a knotty snag for everyone, from the factory workmen with a higher grocery bill and more rent to pay, to the high paid executive with a big home and car and all his other obligations.

But the impact of swelling living costs and other wartime demands on slower rising and fixed incomes has fallen far from equally on different groups, or on individuals within each group. And all the auguries are that both the force of the problem for all groups and the disparities in its effect will become still more acute in coming months.

What will be the pattern of wartime life in Canada a few months from now, say by next spring? It would take a gift of prophecy to forecast it with exactness, but the present signs and portents make the basic form reasonably clear. There is little doubt that the cost of living will have gained further momentum in its upward climb. Here again the living cost index fails to point a trend that can be translated into terms of everyday life for the individual family.

On top of that there will be tighter wartime controls and regulations, restrictions of production and consumption, further demands in prospect by way of taxes and other calls for contributions to the war effort.

What the Index Says

Clear enough it is that so far in this war the cost of living is up about 13%. That is according to the official index, a broad, condensed average covering Canada as a whole.

But in few places does it reflect more than part of the problem of the housewife—and the husband who keeps even half an eye on his personal books.

For, they find, that doesn't tell what the war has done to the "stretchability" of their income. The money goes with dazzling speed.

Though there doesn't appear to have been any particular change in their spending habits, the amount left over for saving seems to be shrinking to the microscopic. The buying that has to be eliminated to break even seems to be swelling to the momentous.

Especially does the 13% rise in the cost of living index tell only a small part of the story for the man with the better than average income.

Currently, the Dominion income tax gatherers are trying to persuade Canadians to start paying the new—and mightily increased—income tax payments on a monthly basis. Their main concern is to make people realize NOW that the new taxes are going to do really serious things to the family budget.

What's Really Happening

Let's see what is really happening to the "cost of living."

The phrase here is used in its broadest sense. So far as the individual is concerned, his cost of living is what it takes to keep up the standard of living to which he is accustomed. Cost of living is habit plus necessity. The pain of eliminating habits, of getting along with the unaccustomed or the unenjoyed can be, at least for a while, about as painful and disturbing as having to get along on two meals a day instead of three.

As guinea pigs for research, this study has taken a young man in his late thirties and his wife and two children. His income is $5,000 a year. He has been doing some saving, chiefly in the form of insurance. For a young man earning $5,000 a year, he is in all respects ordinary.

There are some 40,000 Canadians earning over $5,000 a year, including everybody up to the millionaires.

If not relatively large in numbers their spending power, their habits, and their standard of living have always been vital to a large part of the business community. They are, generally, the sizeable buyers of insurance, of most kinds of household electrical appliances.

They are usually valued customers of clothing and furniture stores; they are important subscribers to church collections and charities. And a host of business enterprises—gift shops, florists, tourism and domestic service—find them a keystone of profits.

Where the Index Fails

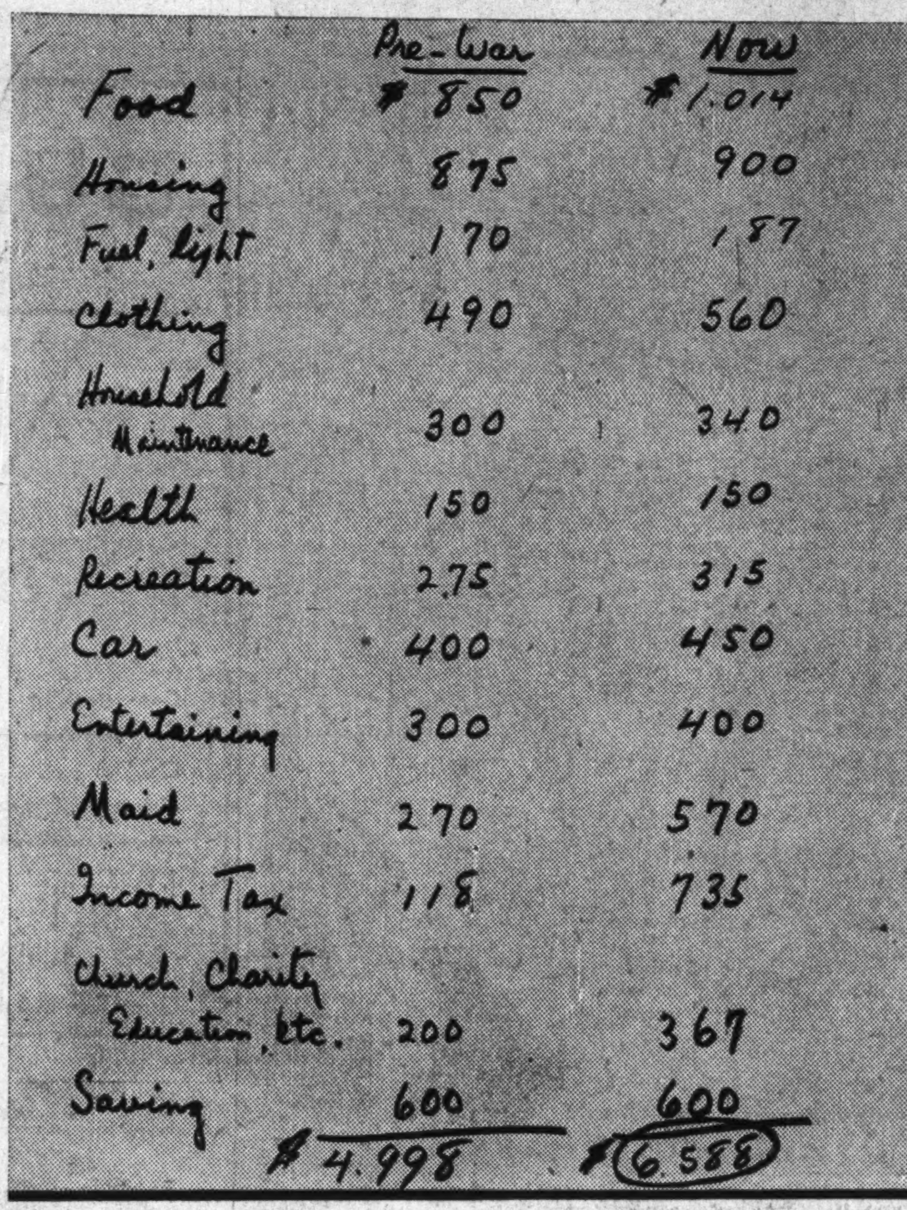
What's the matter with the official cost of living index for this class of family?

First of all, it covers purely necessitous "cost of living" and does not include income and other taxes which are clearly—for a sizeable part of the community—a very real cost of living if one is to stay free and out of jail.

Second, the official figure is computed on a cost of living for the average Canadian earner whose income is $1,414 a year.

When Canadians are told that the cost of living has risen 12.9% since the war began—between Aug., 1939, and Aug., 1941—the figure is based on the Dominion Bureau of Statistics 1938 study of income and expenditures of urban wage-earners. From 6,252 families surveyed, 1,439 were selected for detailed study and the gross income of these families averaged $1,559 for the English-speaking sample families, $1,460 for the French-speaking.

From the way these families spent their money has come Canada's cost of living index—the cost of maintaining the standard of living enjoyed by wage-earners earning mostly between $1,200 and $1,600 in 1938. The average cost of living was $1,414.



	Pre-War	Now
Food	$850	$1,014
Housing	875	900
Fuel, light	170	187
Clothing	490	560
Household Maintenance	300	340
Health	150	150
Recreation	275	315
Car	400	450
Entertaining	300	400
Maid	270	570
Income Tax	118	735
Church, Charity Education, etc.	200	367
Saving	600	600
	$4.998	$6.588

Here is a typical $5,000 a year family's budget—as it was in the middle of 1939. And the right-hand column shows what that budget would be like today if the same rate of spending is to continue; if the family can scrape up more income.

Obviously, in nearly every case, the result is going to be drastic reduction in certain items of expenditure and lowering of the family "standard of living." Since the savings item represents in a great many such cases chiefly life insurance premiums which represent ownership of a very real type of property, knocking the $600 out of the right-hand column is much less simple a start on the solution than might appear. Obeying the appeals for less car driving will reduce that item in some cases. How other items in the right-hand column will be trimmed down to the "break-even" point depends on the individuals.

Wide Variations

Even in the group studied, the variation between income groups was tremendous. It cost the group whose wages were above $2,000 three times as much to live as the section below $800. It cost the better paid group twice as much for food and fuel; three times as much for shelter; they paid four times as much for clothing, health and recreation; seven times as much for their children's education and community welfare; 18 times as much for transportation.

As already pointed out the real cost of living is necessity plus habit.

War very clearly means that habits will have to be changed, perhaps some "necessities" gone without.

It is no comfort for the man with $5,000 a year to be told he can live on $1,400. Where there has been what the statisticians might call "fatness" on incomes, there were also items of expenditure that the official cost of living figure loftily ignores—in addition to taxes.

Look over a few specific items of costs: to see how much they have risen; how much this man is going to have to cut expenditures.

Domestic help is an example. Most $5,000 a-year families with two children would have a maid. Before the war, the family appraised here paid—for a graduate of the Ontario government domestic school—$22.50 a month, including room and board. Annual total, some $270 in wages plus around $225 cash cost of her food, uniforms, etc.

Today girls with similar qualifications can command $47.50 a month or $570 a year. With food up 22% and clothing up 15%, there is a $30 increase at least in providing their maintenance.

Extra Costs

Other living costs combining both habit and necessity for the $5,000-a-year family include:

Entertainment and social activities. Here there is such wide individual variation that one can only cite the budget of our $5,000-a-year "guinea pig."

Here his costs are all up—many about 20%.

His bill for theatre tickets, ball games, hockey matches, etc., is budgeted at $180. The 20% Dominion tax raises that automatically to $216.

In these respects most men such as the head of our typical family would rate the figures pretty low for this income group.

In the official cost of living study—for a group with average income of $1,414—the 1938 allotment for "recreation" included social activity and recreation. It was set at $82 a year, and $2,000-a-year families were spending $151.

Transportation

What about transportation? The average Canadian car owner drives 9,000 miles a year with the average for some cities running up to 12,000. Our sample man drives around the last figure.

At 18 miles to the gallon, and the prewar price of 25 cents per gallon, that would cost $167. Since then gasoline prices have risen 25%, adding another $42 to his annual motoring bill.

So far, the rise in the cost of gasoline is the most important gain in motoring costs. Tires are up only fractionally. The 25% and higher increases in new car costs are in many cases offset by the increased trade-in value of used cars.

The increased cost of motoring so far may be estimated at about half a cent a mile—roughly $50 to $60 a year for the 10,000 to 12,000-mile driver assuming, of course, that he were to ignore appeals to his patriotism and continue driving as much as before the war and the need for gas conservation.

With all these added burdens, the $5,000 a year man is still regarded as a well-to-do leader in his community, hence he is expected to be foremost in war charities.

Such demands are likely to add at least $50 to his annual contributions in this category.

Hence, taking only the minimum increases under each of these headings discussed above, added expenses are $500-$600.

Basic Expenses

What has happened to the living costs for things like food, housing, furniture, etc. for the $5,000 a year man? Such costs in the past have absorbed at least $3,000 of his $5,000 income.

On these items the increase is just about the same as the official and publicized 13%. Some items are higher; some are lower.

The rise in cost of housing has been very largely in the lower cost brackets and rents on the $5,000-a-year man's home have moved little so far. There has also been less than the average price rise in the cost of the furniture he would be interested in buying. The big demand and price gain has been in the lower-quality stuff.

But these "savings" from the average are well offset by the increased cost of food. The food average for Canada is up 22% since the war started. But again that is based on the table of a $1,414-a-year household, not the $5,000 one.

Taxes are a heavy burden. Earning $5,000 with a wife and two children, our man has to pay $735 to the Dominion government (income tax plus National Defense Tax). Before the war it was $80, or $655 less than today.

If he lives in Ontario, his provincial tax (if collected) will be $24.30 this year, a saving from the $38 he used to have to pay to the province. Even if the provincial tax is dropped, he will have to pay $637 more in income taxes than before the war.

$1,600 More to Live

Altogether the man earning $5,000 a year has seen a jump of $1,587 in his annual expenses, if prewar standards are to be maintained.

To recover that $1,587 by stepping up his income to absorb it—net after paying the taxes on the higher income—he will have to earn an extra $2,560.

In other words, the prewar standard of the $5,000 income can only be maintained if income has increased approximately 50% and that assumes that all his income is earned, not subject to surtax on investment income.

By way of contrast, the income levels on which the Canadian cost of living index is based are as yet free of income taxes. A family with two children does not pay the tax unless income is above $2,300, some $900 higher than the annual living cost measured in the index in 1938.

The increases paid in cost of living bonuses since the outbreak of war would bring the average income of that period up to about $1,600, still $700 on the safe side of income taxes.

Each cost of living bonus paid within this limit is only subject to the 5% national defense tax, nets its recipient 95 cents on the dollar. Each additional dollar of income in the $5,000 income class has to pay the 5% defense tax, plus a 30% Dominion income tax, brings a spendable income of only 65 cents on the dollar.

Total investment income for Canadians in 1940 was $37 millions less than in 1929, $74 millions below 1930. In the 1926-29 period, only one year (1926) was below the 1940 figure, at $490.3 millions against 1940's $511.8.

White Collar Squeezes

Unlike the man on the low basic income, who in most cases is already getting periodic increases to offset the rise in the cost of living, the average $5,000 year man cannot even hope for similar treatment.

Many of the latter belong to that more or less fixed income group which embraces the upper white collar crust—professors, professional people, lower priced executives, owners of small retail establishments in settled communities, etc.

These are the people hit hardest in any sudden change in the standard or cost of living. These are the upper middle class fearing equally boom or chaos.

They will be called upon for war sacrifices for the twin reason that they have something to sacrifice and little chance of sharply bolstering their income. In a sense, they will have to live off their own fat.

Each year as long as the war lasts, they will probably take inventory, will decide to lop off some big item of expense and do without the convenience of that item until after the peace.

Already in many instances the first prunings have taken place: Holiday travel, holidays, private schools for the children, second cars, spacious homes, summer cottages, liquor, smokes—these are among the first things cut.

After that will probably come more rigid curtailment of driving, longer wearing of clothing, less entertainment, less domestic help, perhaps a cutting down of insurance or some consolidation.

There will be less for maintenance of property, a general cutting down on quality purchases, cheaper suits and shoes, cheaper theatre seats, cheaper hotels.

More to Come

The average $5,000 a year family is probably midway between the initial and future stages of restriction in living standards now.

Such families are now facing the prospect, and in many cases begining to talk about it with concern, that elimination of luxuries and the habits of comfort will not be enough. These will have to be drastically curtailed if not suspended for the duration, but in addition many $5,000-a-year people will have to cut down sharply on what they have come to regard as necessities.

They will discover that you can buy below the best quality clothes and shoes and hats and food, and still live fairly comfortably. They will "pull in their horns" on clubs, sports and other recreation, and decide that friends can be entertained without large outlays for entertainment. Christmas and birthday gifts will have to be more modest.

Though there is now a move under way to extend the cost of living bonus principle to civil servants and municipal employees generally, there is no sign of a general trend to cushion the impact of war on the incomes of $5,000 a year or better. Neither bonuses or any general advances in salaries, etc., are in the offing.

The Canadians in this category will therefore have to meet the heavier demands on their earnings—from cost of living, war charities, taxes, and so on—by reducing outlay instead of trying to augment income.

Where will they cut down?

The answer to that question is a puzzle for them, a concern for many types of Canadian business and a vital factor in Canada's war effort.

The pace of living at which they travel in the future will depend on the length of the war, the sacrifices demanded by the "pay-as-you-go" basis of the war effort—and the skill with which they can adjust the Sinbad's back of their income to the ever heavier burden of the old man of the sea, the cost of living.

More than any other section of the community, the better income groups have had to face the destruction of living standards. The attrition of their way of living will continue with the increasing standardization of production, the dropping of item after item of civilian output.

But the period in which they will be singled out to bear the heaviest burdens will of necessity taper off as the burden of war becomes greater. New shoulders will be needed to support the load.

Financially, the incomes of those earning $5,000 and up in 1939 accounted for only 11% of the national income. In the coming year, national income is slated to rise $2 billions above the 1939 figure to a new high for Canada of $6 billions.

In the new pattern, the incomes of over $5,000 will shrink to an even smaller proportion, well below 10% of the total. Continuance of a "pay-as-you-go policy will depend on the taxes levied on the 90% of the nation's income which has hitherto been relatively insulated from the effects of war. The pyramid will in future have to be supported by its base.

Not only in the dollars and cents of war financing but in the war of materials will this hold true. With pocketbooks dented by taxes, with ever-growing charitable and patriotic calls on their funds, the above-$5,000 incomes have already retrenched. It is not their buying power that is threatening to bring inflation, not their demand for electrical goods, refrigerators, etc., that competes with war requirements, for the ever-scarcer metal supplies.

The old story of the business cycle is being reversed. The upward flow of prosperity from the wage-earner to the salaried man, to the executive and the shareholder was typical of previous periods of high business activity Now the flow is downward, and it is a flow not of increased, but of diminished spending power.

Spreading the burden can come by inflation, by taxation, by forced saving, by rationing.

But it will have to come, for in wartime the belt has to be tightened where the bulge is, and Canada's bulge is no longer in the middle and upper incomes.

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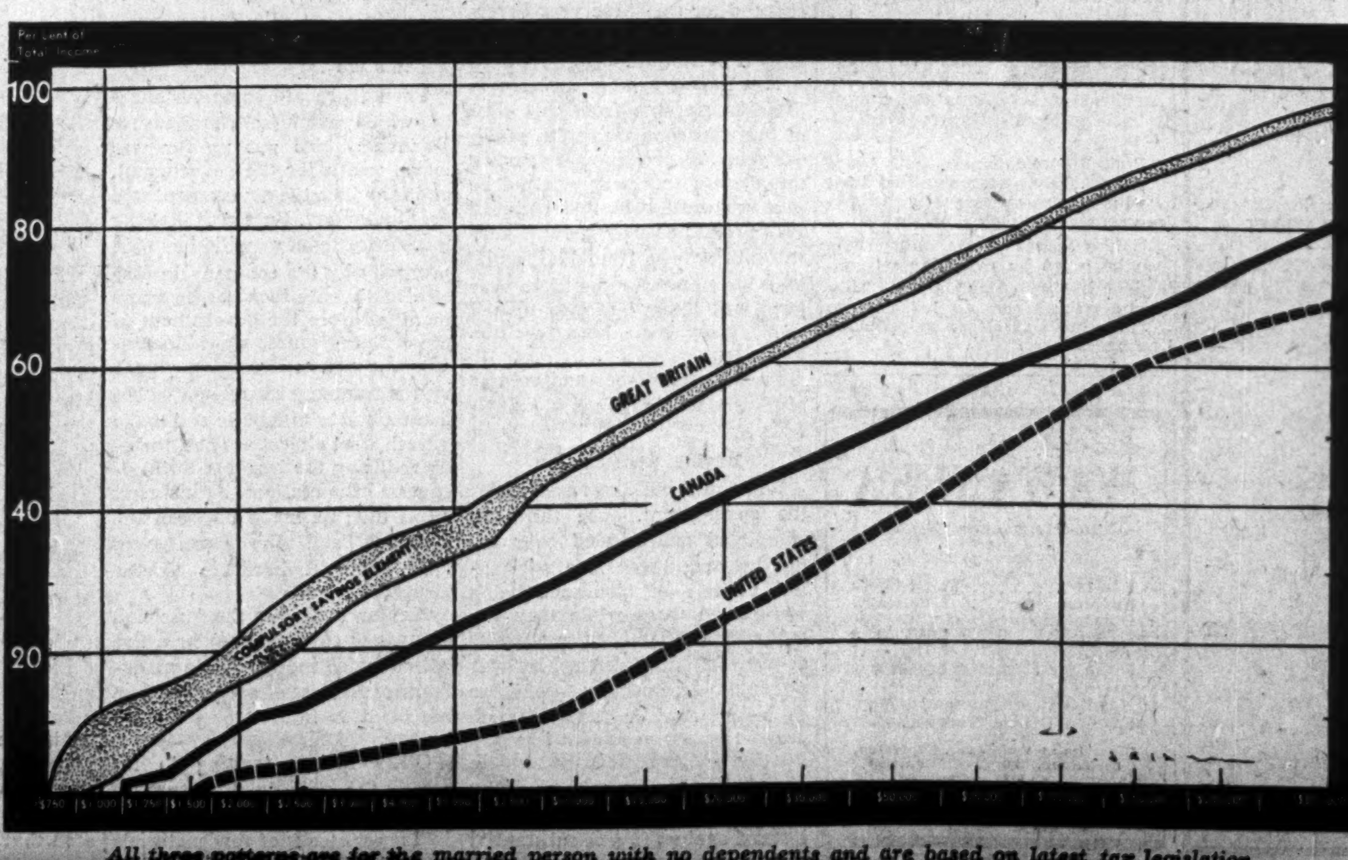

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Fire—the Great Saboteur

Preventing Fires is Vital Factor In the Struggle Against Hitler

Because modern war is fought with all the economic resources of a nation, it is imperative that production be maintained at a high level. When Churchill said "The front line runs through the factories . . ." he had in mind the need of a continuous flow of war materials and supplies. Interruption of operations will mean a reduction in output which may be disastrous. Fire whether accidental or the result of deliberate action is one of the greatest menaces to continuous plant operation. In such circumstances, special significance attaches to Fire Prevention Week which this year comes October 5 to 11.

Official war communiques from the different capitals of Europe never fail to emphasize the importance of the damage from an air raid over the industrial regions of belligerent countries.

So far Canada has not been subjected to incendiary or other bombs.

But the threat of fire from other causes is always present. But whether the fire is accidental or incendiary, makes no difference to the damage it may do; or to the gravity of its interference with the war effort.

In Canada in recent years the proportion of deliberate arson fires is relatively small. They have been due mainly to the desire for personal revenge against an individual or an employing firm; in a few instances to insanity.

Instrument of Sabotage

But in war, fire becomes a weapon enemy agents, and saboteurs, may use at the behest of their government. Property owners, especially managers of plants engaged in war work, are much on their guard against fires which may be started purposely.

The incendiarist may be a complete outsider or may be an employee of the plant. The most efficient enemy agent may appear a most loyal citizen. Hence the need for constant vigilance.

Fires due purely to mischance are possibly the most difficult to guard against because they generally occur in a peculiar set of circumstances. The main safeguard is for everybody to be on the watch for anything that might cause a fire.

Negligence is more easily guarded against.

Suggested Measures

Some measures which have been suggested as helping to prevent fires both in and outside a plant have been listed as follows:

Remove all refuse, debris and unnecessary material.

Keep warehouses and stock rooms tidy and orderly. This makes it easier to segregate a fire in one part of a building and also makes it easier for fire fighters.

Inspect all premises where a fire might occur regularly, night and day.

Exclude unauthorized persons from the premises.

Install such fire fighting equipment as extinguishers, hydrants, sprinkler systems as may be considered desirable by municipal fire department or insurance company officials.

Make sure that approaches, hydrants, extinguishers, are kept open and that arrangements are made for the entrance of fire fighting equipment.

To lessen the danger of enemy activity additional safeguards are suggested such as:

Checking all employees as to place of birth, country or origin, war sympathies, etc.

Inspection of all packages coming in.

Guarding any equipment that might be easily damaged by an expert.

Fire prevention, fire department and insurance company officials are always ready to give expert advice and assistance in devising methods of fire prevention.

They can give valuable pointers on construction, and on the installation of fire fighting equipment.

Insurance Men Help

The insurance company officials have been doing a great deal of work of this kind as part of their contribution to the war effort.

Soon after the beginning of the war, the Dominion Board of Insurance Underwriters placed at the disposal of the government, their expert engineers, inspectors, maps, laboratories, etc.

These inspectors visiting various plants make recommendations regarding fire prevention and draw the attention of the government authorities to anything they think should be brought to notice.

John L. Noble, manager of the British Columbia Underwriters' Association, has been lent to the Department of Munitions and Supply as insurance and fire prevention officer.

Individual companies—both board and non-board—have signified their readiness to co-operate with the government every way possible.

In the homes of the nation help can be given by removing all conditions likely to cause a fire. Thus every citizen can do his part to further the war effort by reducing the fire hazard.

While Canada is trying to mobilize every ounce of wealth and manpower and productive resource to assure national survival, property worth millions of dollars is going up in smoke every year. In 1940 these fire losses were approximately $23 millions, enough to pay for 150 bombers or 40 corvettes. Today fires in industrial plants in the majority of cases interfere with some form of war production. Every fire is a blow at Canada's war effort. October 5 to 11 has been named by the Government as Fire Prevention Week.

Insured Value Of Fire Risks Is Higher

Although fire insurance rates right across Canada average about 10% lower, the total volume is showing a substantial increase, according to preliminary estimates.

This is due to a number of factors including a larger number and value of risks insured as well as the change in writing mercantile risks on a three year basis instead of yearly as formerly.

This last factor is possibly the most important cause of increased total premiums this year. Formerly legislation in most provinces prevented stock companies from writing insurance on mercantile and industrial buildings for more than one year at a time. A little over a year ago, however, the provincial governments removed this restriction with effect Jan. 1 this year. The result is this type of insurance is now being written for a three-year term, the premiums charged for the three year coverage being 2½ times the regular annual premiums.

This means a large increase in premium income from this class of business compared with previous years. As premiums written on this system this year will not be renewed until 1944, it is believed 1942 premiums may show a very substantial drop from 1941, while total premiums for the three year term will likely be lower than if each year had been written separately.

The larger number and volume of risks is attributed mainly to the war.

During Construction

While new buildings erected for the government, once they are completed and handed over are not insured, there is a substantial volume of insurance being written on them while they are being built. Then there are stocks of raw materials designed for war purposes. Once ownership of these in either raw or finished state passes to the government they are usually not insured. But while they belong to the manufacturer or producer, they are generally insured against fire. A substantial volume of business is being written this way.

Then there are some instances in which manufacturers insure plant additions put up for war work, really for the government, and for which the government will eventually pay. Reason is that the insurance money will be paid promptly by the company in case of a loss where it might be many months before the government in the ordinary course would indemnify the owner. Prompt payment by the company would enable the manufacturer to rebuild and make a fresh start almost at once, thereby reducing the loss due to interruption of operations. Adjustment could then be made between the company and the government later, without hardship to the insured.

Similar to this is the "use and occupancy coverage" under a fire policy which indemnifies a manufacturer for loss of earnings when his plant is injured or damaged by fire.

Other factors tending to increase the volume of insurance written include:

Larger stocks of raw materials and finished goods for civilian use carried by manufacturers.

Heavier stocks of all kinds of goods carried by wholesale and retail merchants.

Higher prices of goods and commodities.

Increased values of plants and buildings due to higher replacement costs.

Insurance men estimate the reductions in premium rates as ranging from 10% to 25%. These have been brought about by the lower loss ratios experienced by the companies. The lower losses in turn have been due to:

Improved construction in recent years.

More efficient fire prevention and better fire fighting appliances.

Greater care by the public.

Continued Vigilance Urged

Fire prevention officials are anxious that people should not be lulled into a feeling of false security by the drop in fire losses.

They emphasize that any lack of care might result in an increase in the fire loss which would exceed that for any recent year.

Saskatchewan Record On Fires Best of All

Maintaining its record established over the last eight years, Saskatchewan, in 1940, again had the lowest per capita fire loss of all the Canadian provinces.

Last year's figure of 69 cents was seven cents below that of the previous year at 76 cents and five cents lower than its average of 74 cents for the last five years. The per capita loss for all Canada was $2.09. Nova Scotia's 1940 figure of $2.75 was the highest for any province.

Manitoba Second

Manitoba came next lowest to Saskatchewan in 1940 with a per capita loss of $1.42. Manitoba's figure in 1939 was $1.10 and her five year average $1.26.

One reason given for Saskatchewan's good showing in recent years is that the depression taught the people there, possibly more than elsewhere, the evil of waste of any kind, including fire waste. This has made them more careful. Another reason given is that lapsation of fire insurance through inability to pay premiums in the bad years has also tended to reduce incendiary fires.

Comparative figures of total and per capita losses follow:

	Total 1940	Per Capita 1940	5-yr. Aver.	Per Capita 5-yr. Aver.	Per Capita 1939
	$	$	$	$	$
Alberta	1,265,917	1.63	1,280,671	1.64	1.46
British Columbia	1,966,867	2.52	2,007,261	2.59	2.20
Manitoba	1,029,168	1.42	924,346	1.26	1.10
New Brunswick	925,474	2.05	944,644	2.09	2.69
Nova Scotia	1,508,544	2.75	1,452,900	2.06	2.99
Ontario	8,100,473	2.17	8,284,513	2.21	2.11
P. E. I.	186,183	1.96	181,989	1.91	1.44
Quebec	7,094,675	2.21	7,625,908	2.37	2.91
Saskatchewan	657,963	0.69	802,871	0.74	0.76
Canada	22,735,264	2.01	23,475,103	2.09	2.18

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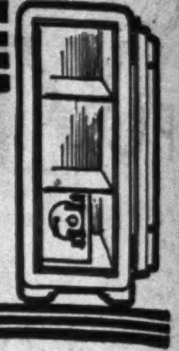

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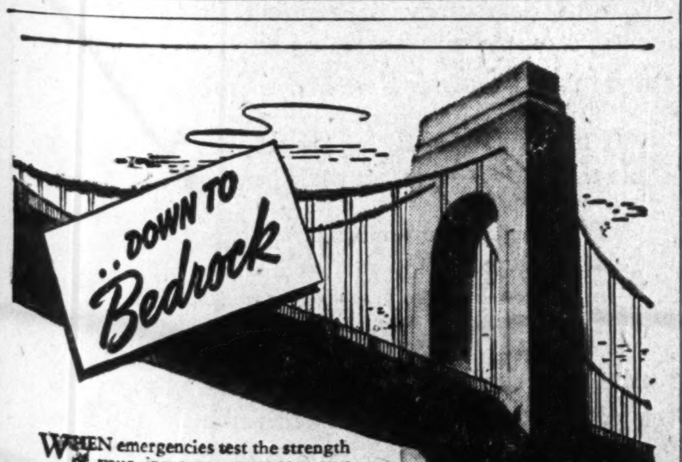

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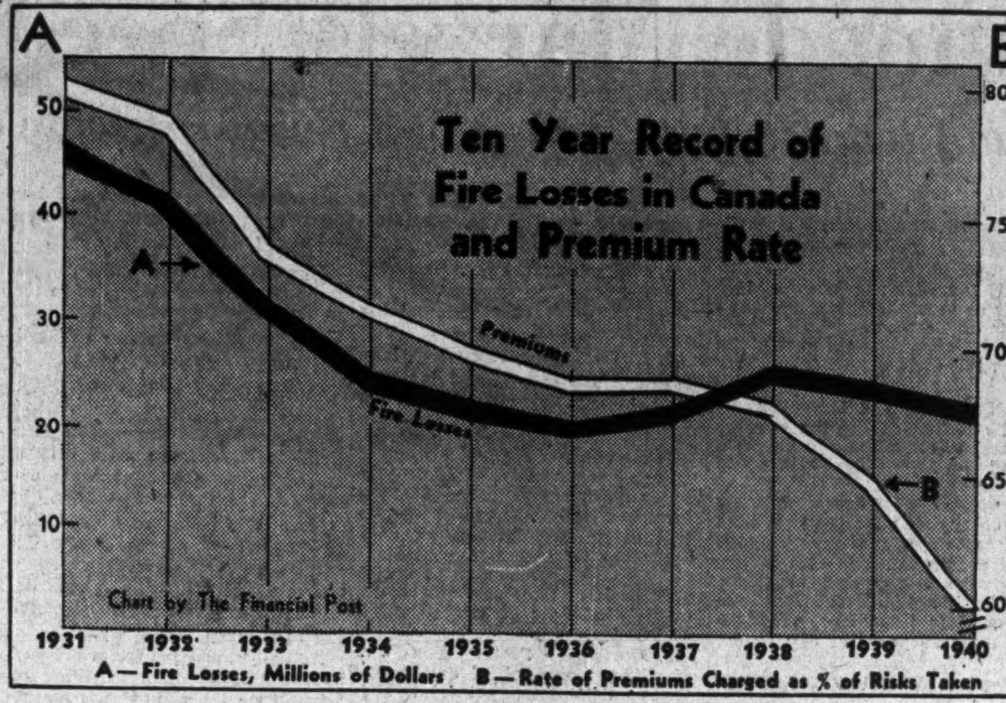

By preventing fires, Canadians lessen the waste of life and property and lower the cost of insurance for themselves. The chart shows how fire losses in Canada have fallen from $47 millions in 1931 to $22.7 millions in 1940. During the same period the cost of insurance, expressed on the chart as the rate of premium charged as per cent of risks taken, fell from 80 cents per $100 of risk insured to 60 cents.

Dwelling Fires Show Decline

Reduction in Total Loss Substantially Better Than in Number

In the last 10 years there have been 332,253 fires in dwellings in Canada with a total loss of $89.1 millions. Most of these fires could have been prevented if proper care had been taken.

The figures of the different years show there has been substantial improvement however. In 1940 the number of fires was 33,395 with a monetary loss of $5.5 millions against 32,186 fires and a loss of $5.6 millions in 1939 and a 10-year average of 33,225 fires and $8.9 millions loss. In 1931 there were 34,545 fires with a loss of $13.5 millions.

While the actual dollar loss has been reduced steadily during the last 10 years the number has moved irregularly, the 1940 total for instance being almost 3,000 more than in 1935 and 2,000 more than in 1936.

One reason for the lower loss is that better construction, greater vigilance and better fire fighting apparatus has prevented fires which did occur from getting out of hand. Thus the damage was limited.

Fire prevention authorities are confident that improved construction methods in new houses and gradual disappearance of old inflammable buildings will bring further improvement. The total figures are still much larger than they should be.

Lowest Per Capita Loss Shown by Chatham, Ont.

Figure of 13 Cents Above Previous Year's Low for Larger Municipalities — Stratford Again in Second Place

Chatham, Ont., carries off the banner for having the lowest per capita fire loss in 1940, among Canadian municipalities with a population of 10,000 or over.

In the preliminary estimate of fire losses for the year in larger municipalities in the Dominion, compiled by the Dominion Fire Commissioner, the fire loss of Chatham is shown at 13 cents per capita. This is a little larger than the low record of 11 cents established by both Medicine Hat, Alberta, and Forest Hill Village, Ont., in the previous year.

These two had fairly satisfactory experience in 1940 however. Medicine Hat showed a per capita loss of 23 cents while Forest Hill's figure was 37 cents.

Stratford, Ont., for the second year stood in second place with a per capita loss of 17 cents, the same as in the previous year. York Township came third with 21 cents.

Three places were tied for fourth place, Medicine Hat, East York Township, and Oshawa with 23 cents each.

Other municipalities with a low record included Kitchener with 27 cents, Galt 29 cents, Shawinigan Falls, Que., 33 cents, and Sarnia, Ont., 34 cents.

Owen Sound showed the heaviest loss at $19.08. The total loss was boosted there by one large fire in a wholesale grocery with a loss of $254,728. Glace Bay was second highest at $12. Here, too, the loss of $232,675 in a machine shop fire was mainly responsible for the high total.

Fire Losses in Municipalities where Population Exceeds 10,000

	Total Property Loss 1940	Loss per Capita 1940	Loss per Capita 1939	Loss per Capita 1938
Ontario:	$	$	$	$
Belleville	35,891	2.44	3.47	5.53
Brantford	167,740	5.32	0.70	1.41
Chatham	2,160	0.13	4.52	1.25
Cornwall	17,621	1.30	1.41	0.32
East York Twp.	8,875	0.23	0.29	0.19
Etobicoke Twp.	19,947	1.08	0.39	...
Forest Hill Village	4,467	0.37	0.11	0.74
Fort William	52,785	2.01	2.48	5.18
Galt	4,290	0.29	0.96	0.31
Guelph	28,467	1.26	2.20	2.13
Hamilton	284,139	1.82	1.75	1.44
Kingston	67,411	2.77	4.53	0.57
Kirkland Lake	54,366	2.17	1.04	0.84
Kitchener	8,909	0.27	1.07	1.82
London	69,206	0.89	1.10	0.94
Niagara Falls	8,815	0.45	2.79	1.09
North Bay	31,076	1.93	1.41	1.34
Oshawa	6,169	0.23	0.83	0.37
Ottawa	317,062	1.99	1.66	3.09
Owen Sound	261,266	19.08	8.89	0.79
Pembroke	8,437	0.79	1.34	0.51
Peterborough	9,703	0.40	1.35	0.88
Port Arthur	77,792	3.38	1.26	0.40
St. Catharines	40,930	1.47	0.65	4.22
St. Thomas	43,376	2.55	0.44	0.99
Sarnia	6,154	0.34	0.74	2.00
Sault Ste. Marie	24,876	0.98	2.68	0.87
Scarboro Twp.	17,545	0.76	0.94	3.50
Stratford	2,871	0.17	0.17	0.68
Sudbury	22,312	0.68	1.13	0.52
Timmins	200,080	7.41	3.17	7.24
Toronto	1,106,932	1.71	1.56	2.36
Welland	13,445	1.16	0.65	0.88
Windsor	257,751	2.49	1.60	0.86
Woodstock	5,653	0.49	0.56	0.20
York Township	16,494	0.21	0.24	0.40
Quebec:				
Cap de la Madeleine	14,628	1.31	0.62	0.62
Chicoutimi	41,262	2.73	1.48	1.04
Drummondville	48,028	4.76	0.55	2.14
Granby	35,725	2.46	3.11	7.12
Hull	22,307	0.72	0.85	2.55
Joliette	57,893	4.44	14.47	3.34
Jonquière	64,321	4.44	2.25	3.25
Lachine	22,231	1.12	5.15	0.66
Levis	29,205	2.43	3.05	0.71
Montreal	1,540,104	1.20	0.88	1.26
Outremont	68,915	2.22	1.72	2.11
Quebec	416,947	2.78	3.63	2.81
Rouyn	......	...	12.67	46.82
St. Hyacinthe	10,385	0.59	0.58	1.13
St. Jean	9,225	0.71	14.60	1.30
St. Jerome	29,444	2.68	1.08	2.65
Shawinigan Falls	6,601	0.33	1.84	0.61
Sherbrooke	66,118	1.94	2.75	4.49
Sorel	8,408	0.67	3.49	0.27
Thetford Mines	18,149	1.25	0.41	1.21
Three Rivers	40,130	0.96	0.35	0.77
Valleyfield	24,844	1.38	2.02	14.69
Verdun	89,303	1.37	0.77	1.07
Westmount	38,665	1.49	2.49	1.61
Manitoba:				
Brandon	13,580	0.83	0.60	0.60
St. Boniface	18,273	1.05	1.16	2.37
Winnipeg	228,758	1.02	1.15	1.37
Saskatchewan:				
Moose Jaw	8,049	0.40	1.59	0.71
Prince Albert	48,848	4.00	0.36	0.17
Regina	143,027	2.38	0.19	1.13
Saskatoon	26,883	0.64	1.80	0.29
Alberta:				
Calgary	71,617	0.84	0.76	2.34
Edmonton	412,356	4.50	1.56	1.47
Lethbridge	4,613	0.33	0.21	0.54
Medicine Hat	2,470	0.23	0.11	3.98
British Columbia:				
New Westminster	136,662	6.21	4.77	0.98
North Vancouver	3,135	0.31	0.38	0.44
Trail	5,847	0.45	0.43	0.13
Vancouver	233,226	0.65	1.52	3.77
Victoria	17,715	0.36	1.74	0.60
Nova Scotia:				
Dartmouth	18,844	1.26	1.45	1.01
Glace Bay	299,926	12.00	1.60	1.48
Halifax	133,861	1.49	6.99	2.64
New Glasgow	13,596	1.36	3.20	6.30
Sydney	86,635	3.59	5.46	7.02
New Brunswick:				
Fredericton	20,422	1.82	15.55	3.73
Moncton	153,891	7.44	6.39	3.61
Saint John	124,554	2.49	2.40	2.20
Prince Edward Island:				
Charlottetown	[illegible]	[illegible]	[illegible]	[illegible]

Fire Prevention Will Save Lives

Deaths caused by fire in Canada in 1940 totalled 243 compared with 263 in 1939 and an average of 271 over the ten year period. The majority of these were children and frequently occurred in rural homes.

Fire prevention will save lives as well as property.

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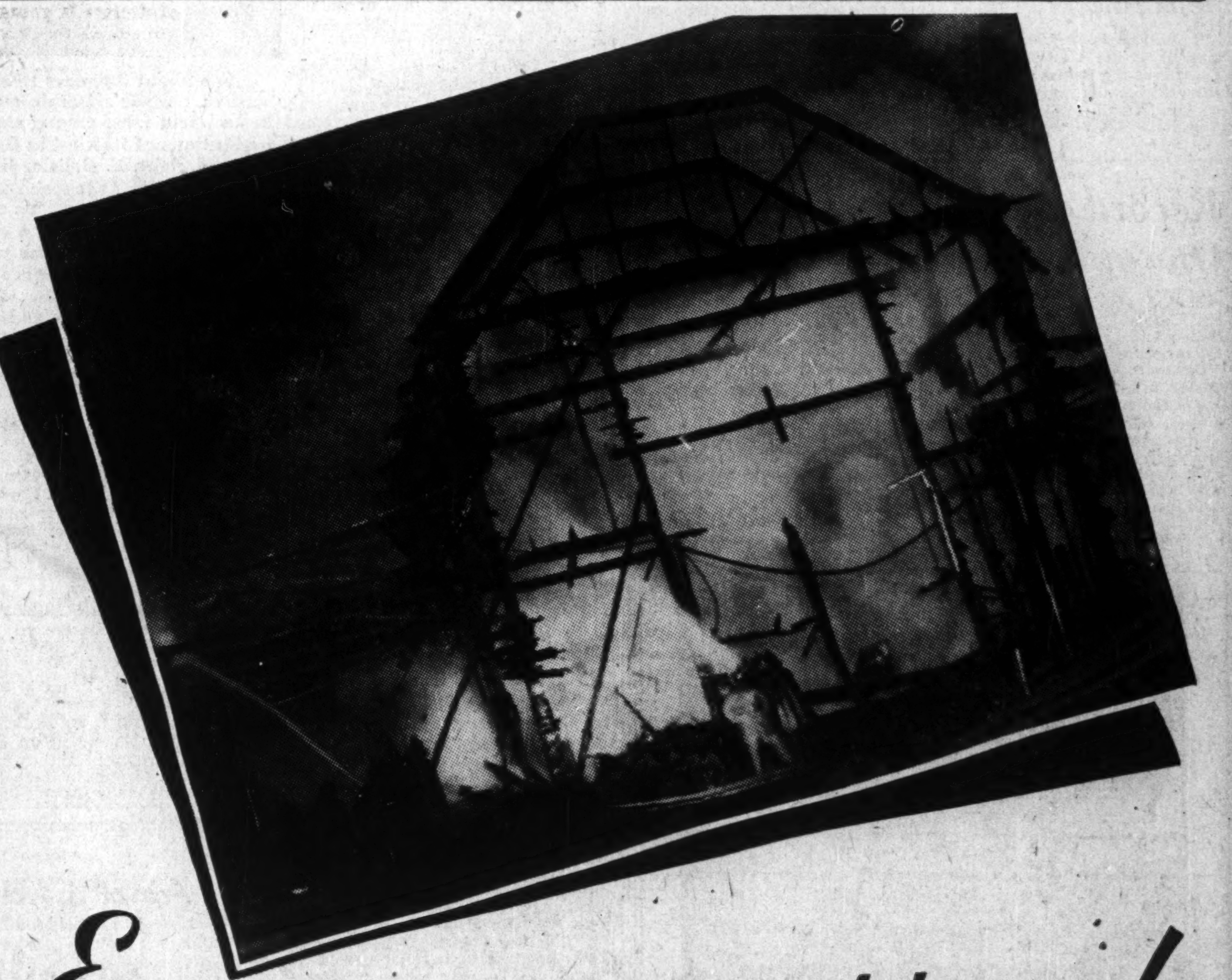

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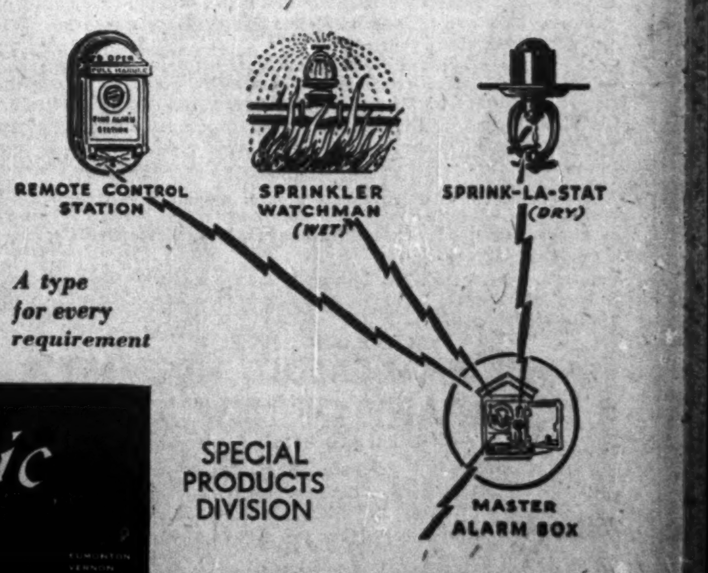

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SPECIAL PRODUCTS DIVISION

40-113

Life Insurance

Partnership Insurance Is Business Asset

Provides Immediate Funds to Tide Business Over First Critical Period When One Partner in a Firm Dies

When one of several partners in a business dies, some of the ensuing results may be to the disadvantage of the heirs of the deceased partner as well as to his associates.

Unless the members of the firm have taken steps to protect against the eventuality, there is no assurance the interests of all concerned can be satisfactorily adjusted.

The business may be wound up or may be carried on under several arrangements. The wife of the dead partner, or his son or other relative, may take his place and carry on with the remaining partners.

His interest may be bought out by the surviving partner or partners, who will carry on. Or it may be sold to an outsider who then becomes a partner in the business.

Will There be Loss?

The important part for all concerned is whether there will be any financial loss.

Suppose the widow of the deceased partner wants to withdraw her husband's investment in the firm. Will the remaining partner or partners be able to pay her what she should get? She may be unreasonable and want to get the cash out immediately even though to do so might force a sale of the assets which would result in heavy loss to all concerned.

If she leaves her money in the firm, will the other partners, without her husband's advice and assistance, be able to carry on and pay her the income to which she is entitled from her husband's investment.

Responsibility for Debts

It should also be remembered that all members of a partnership are responsible for the debts of the whole. If the resources of the partners are not sufficient to pay off the obligations of the firm, creditors might conceivably seize the assets of the individual partners.

Yet another possibility is that the deceased partner might have special qualifications which made him rather difficult to replace. The other partners might not be able to do the things he did or do them as well.

An example of this might be a law firm. All partners would be trained lawyers. But one might be an expert in certain fields or invaluable for meeting people and bringing in business. Another might be good at court work, another at office routine. Death of any one of them might badly disrupt the business of the firm.

In such cases business or partnership insurance often averts serious loss.

Partnership is no special kind of insurance. It is simply ordinary life insurance earmarked for special purposes, such as the buying out of the deceased partner's interest, payment of his share of the debts of the firm, or indemnity to the survivors for the dislocation of the business.

Agreement Necessary

Business insurance usually consists of a policy on the life of each partner and the purposes which each policy is expected to serve are set out in the agreement between the partners.

Proceeds of the policy will not replace the deceased partner. But it will provide finances to take care of any indebtednes of the firm. It will give time to all concerned to recover from the shock and to make arrangements for the future.

Business insurance is an asset to the firm even while all the partners are alive, as banks are more willing to lend money if they know provision of this kind has been made.

One essential is that where business insurance exists, the purpose of each policy should be clearly stated in a contract between the partners. Sometimes a life insurance trust is established to look after the disposition of the insurance funds when death of a partner occurs.

DIRECTOR

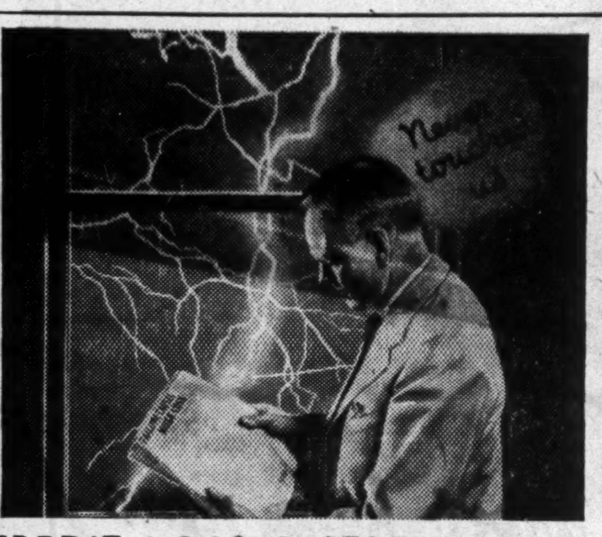
K. M. Pringle has been elected a director of the Western Assurance Co. and of the British America Assurance Co. He is vice-president of the Dominion Securities Corp., Toronto.

Record of Life Insurance One of Its Best Assets

At the opening fall meeting of the Toronto branch of the Life Underwriters Association of Canada 153 members were admitted.

Dewey R. Mason general agent of the Aetna Life Syracuse, stated that one of the greatest assets the life insurance salesman has is the record of life insurance in 1929 when the life underwriter was the only one who could deliver in October, exactly what he had sold in May. Life insurance he stated had no bid and asked price. Its value did not fluctuate. Other assets he mentioned were the goodwill of the public and the assurance that it could give a man something while he is living as well as providing for his dependents when he is dead.

Liabilities of the salesmen included his own inability to profit by the law of possibilities. His success was based on the work he did as he might expect success in an average proportion of his calls.



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Business casualties occur suddenly and unpredictably. They disturb you very little until a financial thunderbolt sends your own business world crashing about your head.

Your credit manager, faced with losses, does not deserve censure. His decisions must rest on available facts, customers' past records, current ratings, credit reports. He may not know every fact about the present. Certainly he can't read the future. Prudent executives provide against unexpected credit losses by covering all sales with

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P8

Canadian-made Marvels Speed Census

Two Veteran Civil Servants Design and Build Intricate Counters

Recently there came from the old Mill buildings alongside the Rideau River in Ottawa, bulletin Number One, the Eighth Census of Canada (1941).

Before that new series will be complete, perhaps eight or nine years will have elapsed. Canada will have started on its census of 1951. Only recently did final printings of certain volumes of the census of 1931 appear.

Already the vanguard of 1,200 clerks (mostly women) streams in and out of the Rideau River headquarters of the Dominion Bureau of Statistics each day to tabulate the 1941 census returns. Under the direction of A. J. Pelletier and O. A. Lemieux of the D. B. S. census branch, they are now checking and cross-checking the big flat brown population volumes (16,240 of them in all) which have been pouring in from every part of Canada, and which, when complete, will give the nation a comprehensive accurate count of noses as required by law each and every ten years.

For population purposes, Canada is divided into 16,240 census areas. Already, all but about 1,000 of these have been returned. The missing volumes are from far-off points along the Arctic coast, up through the wilds of Quebec, the Peace River and so forth. One volume which covers most of our Eskimo population will not come in until Major McKeand returns aboard the Hudson Bay flagship "Nascopie."

Counting Noses

Census material may be grouped roughly into three or four main brackets. First, there is the counting of noses—population. Then there is agriculture—in Canada, a a special and very important branch of census-taking. Then merchandising, another special study based on the returns (names and addresses) of individual business establishments as reported in the population census. Then this year a new and special census of housing which will give important information never previously available.

As regards the special census of merchandising it will be undertaken this time to cover the year 1941. Ten years ago when the first census of merchandising was taken it covered the year 1930 and business firms were asked in June, 1931, to report on their operations the previous year. It was found this was too great a lag for reliable information so the current census will be undertaken at the year-end when business firms will have their records for the year's business in immediately available form.

The population studies are now being published—first, lists of cities and towns with other smaller communities following.

The 1941 population schedule asks 39 individual questions. Many of these are new and will give information not previously sought. Major changes are:

1. **Former Residence.** Canadians have been asked for the first time how long they have resided in their province or municipality and their former place of residence. This question replaces a query on unemployment which is deleted because of changed conditions since 1931.

2. **Fertility.** A query to all Canadian women as to the age which they were first married and the number of children they have borne.

This question replaces a 1931 query as to the birthplace of one's father and mother.

3. **Education.** The old query "can you read and write" is out for 1941.

In its place is a more streamlined question asking the number of years of schooling you have received and your school attendance record.

4. **Change of Occupation.** The 1941 census asks for the first time what was your occupation ten years previously. Answers to this question are expected to throw considerable light on what has happened to Canadians, vocationally, after 10 years of depression.

One-in-ten on Housing

To supplement usual queries as to the kind of home you live in, the census takers have this year embarked on a comprehensive housing census based on the "sampling" methods. Twenty-nine housing facts have been asked of each house in ten. The census-takers were instructed to start with house number ten and sit down for an extra cross examination in this and every subsequent tenth domicile whether urban or rural.

Here are some of the facts elicited:

1. Length of residence.
2. Types of dwelling—material, whether it needs a major repair, etc.
3. Heating system—steam, hot water, hot air, stove, etc.
4. Fuel used — coal, electricity fuel oil, gas, wood, coke.
5. Water supply—running water, hand pump, outside water, etc.
6. Toilet facilities—flush toilet (private or semi-private) chemical apparatus, "outside privy."
7. Bathtub or shower.
8. Cooking facilities — gas or electricity (no. of rings); baking oven, wood, coal, etc.
9. Lighting—gas, electricity, kerosene or gasoline.
10. Refrigeration—mechanical, ice etc.
11. Living accessories—telephone, electric vacuum cleaner, passenger automobile, radio. (Formerly every person was asked if they owned a radio. The 1941 census will obtain this information only for every tenth person visited).
12. Sundry questions as to rental paid in May, 1941; cost of repairs, owner's estimate of market value of dwelling.
13. Mortgage Facts (non-farm dwellings): amount of any mortgage outstanding; principal and interest payments (excluding arrears); rate of interest on first mortgage; taxes levied.

More on Farming

Much thought and study have been given to improve the agricultural schedule, make it more understandable and useful. Many "catch-all" items on the old schedule have disappeared. Questions are grouped more carefully by subjects.

As well, there is a new and separate fruit and vegetable schedule for all farmers who have these crops. This new schedule was drawn up after consultation with various associations and growers. It was introduced at their request to give more careful and detailed information from those who carry on this type of farming.

The special schedule for idle or abandoned farms has been extended and revised. An attempt has been made for the first time to ascertain causes of abandonment.

How is all this information going to be tabulated and digested in time to be of the greatest possible use?

The Dominion Bureau of Statistics has its own answer to that.

Tucked away at the back of the new census statistics wing (built originally for the National Registration) is one of the most brilliant and astounding developments ever associated with census-taking.

Here is to be found a small staff of experts headed by A. E. Thornton and F. Belisle who actually design and build, by hand, the speediest and most miraculous census-recording machinery in the world.

Actually these machines are 40 to 50 times faster than anything obtainable on the commercial market.

About 1929—just prior to the last decennial census—these men started experimenting with ideas of their own. They were so successful that much of the tabulation for the 1931 census was done on machines made by themselves to their own specifications. Many years of labor and effort were saved. In fact, the 1931 tabulation (much more complete and complex than any of its predecessors) was done in one year instead of the usual three.

Since that time very great strides have been made. Their latest brain wave is an entirely new type of tabulating machine which works not by electrical impulses (as is customary) but by air.

Six Machines Busy

Already six of these new machines have been built and are now in operation on the new census cards. They will handle 250 cards a minute and will record simultaneously no less than 560 individual totals.

Each card to be tabulated is first punched in the ordinary way, then inserted in the machine. The facts are instantly recorded in one single operation by pneumatic air impulses which flash the facts to a series of counters at the back of the machine.

Each counter is precisely like the little cyclometer which we use to record mileage on a bicycle.

When the required tabulations have been made, all the facts stand cumulatively recorded on these 546 "counters." The counters have white letters on a black ground. They are instantly photographed through a special prism lens which gives a permanent and positive record of all the information required. The complete recording can be done in five minutes.

The best equipment procurable on the commercial market would only tabulate one such column of figures. These new air machines will handle up to 42 columns at one recording. They cost $20,000 each to build but are expected to pay for themselves many times over. Even in 1931, the electric impulse machines devised at that time by these experts reduced the time of tabulating census returns from three years to one. At the same time it permitted greatly improved tabulations.

The present setup will very materially cut down the old time record. It permits up to 40 questions to be asked by each census taker on each sheet instead of 20. The tabulating of these 40 different columns of information can be put through at lightning speed and the permanent record made in five minutes rather than the old laborious method of having 40 different people take off the material from each column and for each individual fact.

These two men, Messrs. Thornton & Belisle (they have been with the bureau for 30 years) are now working on an equally ingenious machine which will automatically throw out each and every census card which contains any inconsistencies. It will verify 26 individual facts simultaneously.

These Men's Genius Made Canada's Super-Nose-Counters

For about 30 years these two men have been on the staff of Canada's Dominion Bureau of Statistics, which has a world fame among statisticians as one of the finest institutions of its kind in the world. Left is A. E. Thornton and right, F. Belisle. These two men have designed and built special machinery for swift computation of census figures. To tabulate the new census, these men have produced, at a cost of $20,000 each, six air-operated machines which are said to be 40 to 50 times faster than any other equipment available. The Thornton-Belisle team is now working on another machine which will verify 26 individual facts simultaneously.

New Books

Mr. Menzies Speaks

TO THE PEOPLE OF BRITAIN AT WAR FROM THE PRIME MINISTER OF AUSTRALIA. By Robert Gordon Menzies. Published by Longmans, Green & Co., Toronto. Price $1.25.

A collection of speeches delivered in Great Britain by Mr. Menzies when he was still the wartime prime minister of Australia. Inspiring, meaty, epigrammatic.

Booklets For Wartime

MACMILLAN WAR PAMPHLETS. By various authors. Published by Macmillan's in Canada, Toronto. Price 10 cents each.

The Macmillan "Canadian series" of war pamphlets includes many timely subjects.

John Murray Gibbon writes on a subject dear to his heart, "The New Canadian Loyalists," new Canadians who are with their native-born fellow-Canadians in this struggle.

Irene Baird, writing on "The North American Tradition," calls for us to bestir our spirit as our hardy, pioneer forefathers did.

"Politicus," less well known by his real name of L. L. L. Golden, argues that if the Canadian people demand it vigorously enough Mr. King will bring in "Conscription," which is the title of the pamphlet.

Rabbi Maurice Eisendrath, writing on "Reading in War-time," mentions a great many books, but comes back to the Old Testament as the best literature of all.

In "The War and Religion," Claris Edwin Silcox, warns against viewing purely formal profession of Christianity as an easy way to beat Hitler.

Also in the series, at 25 cents, is General Wavell's remarkably terse but scholarly "Generals and Generalship" and a most attractive and thorough study of "The British Commonwealth Air Training Plan" by I. Norman Smith.

The Commonwealth Today

FROM THE BRITISH EMPIRE TO THE BRITISH COMMONWEALTH. By Sir Alfred Zimmern. Price 25 cents.

Sir Alfred Zimmern traces in a concise and informative manner, the story of the evolution of the British Commonwealth of Nations. Such a pamphlet by so great an authority is to be welcomed, for only a limited number of people really understand the political foundations of the Commonwealth or how they were built. The chief stones that Zimmern cites are the Treaty of Paris, the Quebec Act, the Constitutional Act, the Durham report, the Confederation of Canada, the system of Imperial Conferences, representation at the Versailles peace conference, membership in the League of Nations, appointments of ministers by the Dominions, the end of the Anglo-Japanese alliance, the Chanak incident, the Irish Treaty, the Halibut Treaty, the Imperial Conference of 1923, the Turkish Treaty, the Geneva Protocol and the Locarno Agreements, and the Statute of Westminster.

As Sir Alfred tells the story one is struck by the fact that, with only a couple of trifling exceptions, Canada took the lead in bringing to a head the issue concerned in each of these matters. Thus it may be said the British Commonwealth of Nations is a Canadian creation.

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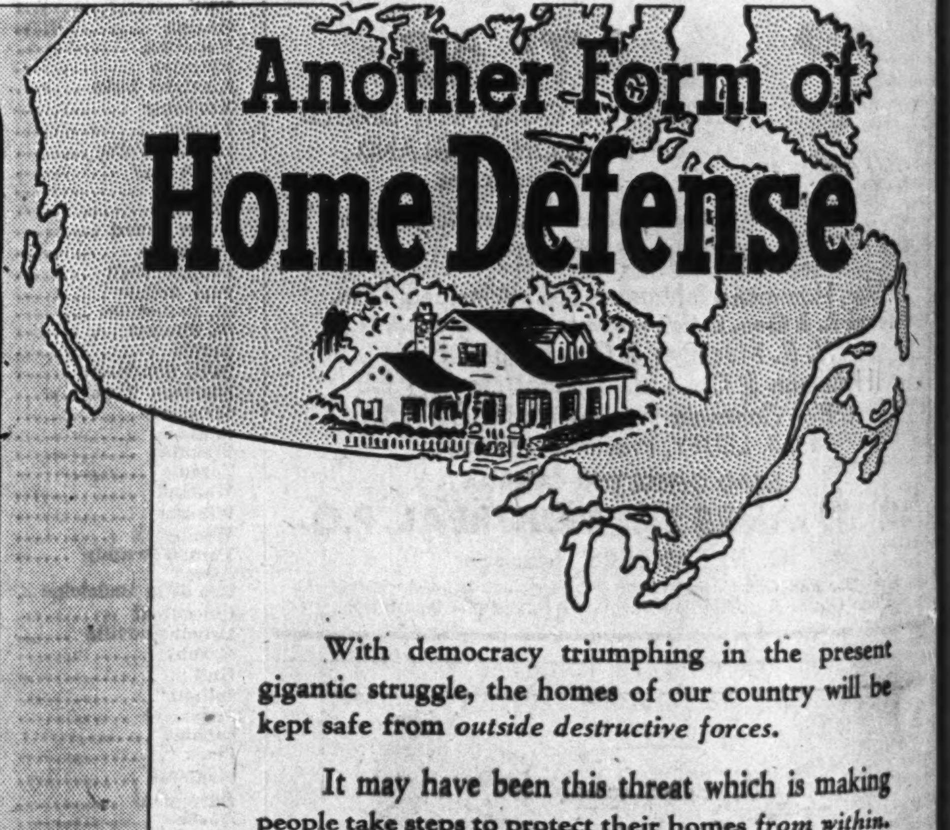


With democracy triumphing in the present gigantic struggle, the homes of our country will be kept safe from *outside destructive forces.*

It may have been this threat which is making people take steps to protect their homes *from within.*

For this purpose, Canadians are purchasing an average of two million dollars of life insurance a week from the London Life.

Where it is necessary to create an estate for the protection of dependents, and the family budget has been greatly reduced by war obligations, life insurance provides the only solution for most people.

If you want to know why Canadians are turning to this Company in such large numbers, ask one of our representatives to show you how present day conditions are met by the London Life plans of insurance.

London Life
ESTABLISHED 1874
Insurance Company
Head Office - London, Canada

All Previous Records Broken in 1940

Pulp and Paper Industry Reaches New Highs With $298 Millions Gross

From Our Own Correspondent

MONTREAL.—Canada's pulp and paper industry went to town last year! While it was known in a general way that the industry set several new records last year, it remained for the Dominion Bureau of Statistics to release the official record.

Here are the returns:

Gross value of production in 1940 at $298 millions set an all-time record.

Net value of production—$158 millions—also created a new high mark.

Cost of materials and supplies, amounting to over $108 millions, established an all-time peak.

Number of persons employed, 34,719, was of record proportions, while total salaries and wages paid broke new ground at $56 millions.

An All-time Record

Extent of these increases is best measured when expressed as percentages of the previous record year of 1929:

Gross value of products was up 22.2%;

Net value of products 29.9%;

Cost of materials and supplies used 11.2%;

Employment 1.5%; and

Salaries and wages paid 11.7%.

Canada's Leading Industry

Compared with other industries in Canada, pulp and paper last year ranked first with respect to wage and salary distribution, capital investment and net value of production.

It was second to the non-ferrous metal smelting and refining group with respect to gross production and second to sawmills with respect to employment.

Help War Effort

These returns are impressive, but the really great record of the industry last year was in making available $234 millions in foreign exchange, of which about $200 millions was in U. S. funds, for the purchase abroad of war material and supplies to further Canada's war effort.

From the standpoint of sustaining balance of trade, products of forest origin have been more consistent than any other group of commodities, and in the wood and paper group itself, the pulp and paper industry has become the chief contributor.

In 1940 this contribution amounted to $234 millions, made up of the differences between exports and imports of pulpwood—$12.1 millions; woodpulp, $60.1 millions, and paper—$162 millions.

Elimination of the Scandinavian countries from the international market for pulp and paper products left Canada as the principal source of supply for the democratic countries of the world.

Export Gains Impressive

Export trade over the past year expanded at an amazing rate—increases of 100% or more over 1939 were common. Some of the more outstanding export gains follow:

	1940 $	1939 $
Newsprint	151,360,196	115,687,288
Paperboard	6,278,026	2,717,387
Wallboards	2,871,283	1,203,074
Wrapping paper	1,324,848	488,661
Bookpaper	1,053,780	510,581
Boxes, bags & cartons	628,096	191,979
Bond & writing pap.	470,786	119,137
Roof. & bldg. paper	251,154	132,250
Tissue paper	423,197	......

Big Advance Over 1939

Considering only the manufacturing aspect of the industry or the manufacture of pulp and paper, gross value of production in 1940 was $298 millions. This represents an increase of 43.2% over 1939 and an increase of 141.4% over 1933, when production reached its lowest level.

Net production last year at $158.2 millions increased 53.4% over 1939 and was 178.1% over the lowest level of depression in 1933, but nearly 30% higher than the 1929 figure, establishing a new high for the industry.

Newsprint in Lead

The 103 mills operating in 1940 (a net increase of three) produced $149 millions of pulp and $225 millions of paper.

Newsprint made up 81.1% of the total reported tonnage of paper manufactured in 1940. Newsprint produced amounted to 3,503,801 tons with a value of $158.4 millions, compared with 2,926,509 tons worth $120.8 millions in 1939, an increase of 19.7% in tonnage and 31.1% in value.

According to the Newsprint Service Bureau, Canadian production of standard newsprint was over three times that of the United States in 1940.

Big Increases Recorded

Increases were also shown in production of all other kinds of paper. That of book, writing and other fine papers rose to 13.9% in quantity and 21.5% in value.

Tonnage of wrapping paper rose 27.1% with an increase of 34.9% in value.

Boards increased 20.8% in quantity and 45.5% in value.

Tissue paper showed gains of 14.6% in volume and 21.2% in value.

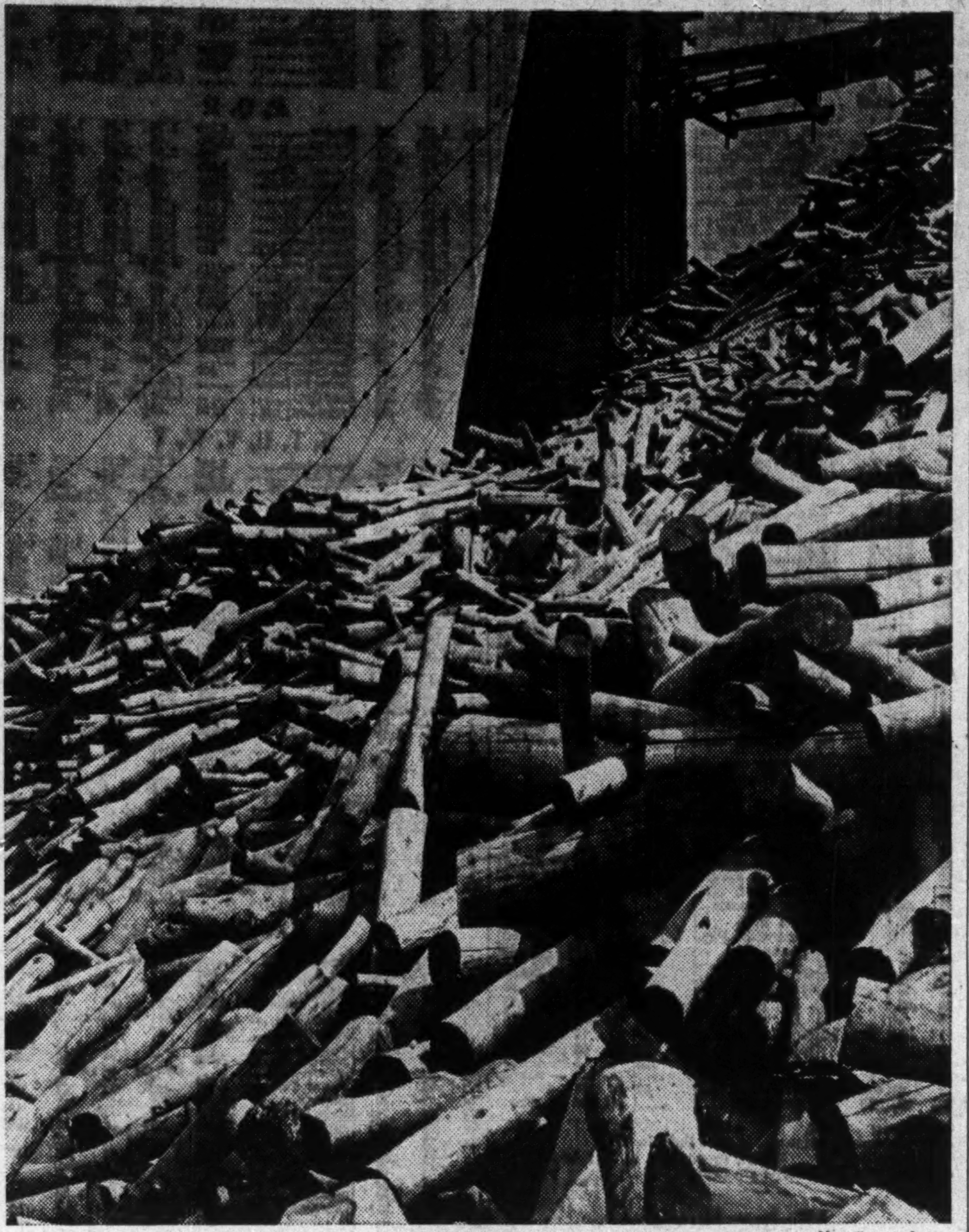
Miscellaneous papers increased in quantity by 28.1% and in value by 30.5%.

More Pulpwood Used

Apparent total production of pulpwood last year was 8,499,922 rough cords valued at $74.3 millions. This compares with 6,899,986 rough cords with a value of $58.3 millions in 1939, an increase of 23.2% in quantity and 27.5% in value.

About 82% of this cordage was manufactured into pulp in Canadian mills. The remaining 18% or 1,551,429 cords valued at $12.5 millions was exported to the United States.

In addition to the export of paper, the principal items of which are enumerated above, wood pulp exportations last year amounted to 1,068,516 tons with a value of $60.9 millions. This contrasts with 705,516 tons valued at $31 millions the year before, representing increases of 51.4% in quantity and 96.5% in value.



—Max Sauer photo.

Gross value of Canadian pulp and paper production in 1940 set an all-time high of $298 millions, an increase of 22%.

Record of Pulp and Paper Returns

	1940	1939
Establishments	103	100
Pulp mills	27	27
Pulp and paper mills	49	49
Paper mills	27	24
Capital meployed	$642,979,942	$597,908,918
Total employees	34,719	31,016
Salaries and wages	56,073,812	44,737,379
Fuel used	13,700,105	8,003,467
Electricity purchased	17,345,301	17,091,511
Power employed	1,986,667	1,912,547
Pulp-making materials and supplies	77,533,154	55,157,070
Pulp made	149,005,267	97,131,817
Paper-making materials and supplies	108,782,031	83,153,155
Paper made	225,836,809	170,776,062
Total value of materials and supplies	108,758,862	79,933,657
Gross value of products	298,034,843	208,152,295
Net value of products	158,230,575	103,123,660

U. S. Pulp Operators Maintain High Rate of Production

From Our Own Correspondent

MONTREAL.—Pulp manufacturers making returns to the United States Pulp Producers Association report operations in July at 89% of capacity; with production totalling 668,802 tons. This represents little change from the previous month.

Sulphite mills reporting operated at capacity on bleached sulphite and 95% of capacity on unbleached sulphite. In the sulphate field bleaching equipment was used to capacity, while unbleached sulphate operations total 95% of capacity.

Groundwood operations continue at about the same level, or around 67% of capacity.

Particulars of operations of the States pulp producers in July follow:

(In tons of 2,000 pounds, air dry weight)
July 1941

Grades:	% of ind's. capacity reporting	Prod'n. during July	Used by producing mills	Sales, foreign & domestic	*Stocks on hand end of July	Imports during July
Total, all grades†	89%	668,802	541,535	155,535	114,184	89,376
Total Sulphite	98%	224,216	119,757	116,041	42,243	56,562
Bleached	100%	133,575	69,424	72,307	26,206	28,930
Unbleached	95%	90,641	50,333	43,734	16,037	27,632
Total Sulphate	96%	335,491	313,773	28,062	17,997	11,858
Bleached	100%	54,494	49,440	6,143	4,460	4,059
Unbleached	95%	280,997	264,333	21,919	13,537	7,799
Groundwood	67%	90,818	95,747	3,889	46,511	18,688
Damaged‡	75%	18,277	12,258	7,543	7,433	2,268

†Except soda. ‡Off-quality and miscellaneous. *Total for own use and sale, of pulp of own manufacture; (does not include stocks of purchased pulp).

Can. Inter. Paper Converts Unit to Coal

Canadian International Paper Co. has under way a capital programme at its Three Rivers mill involving an outlay of $364,500. This expenditure covers installation of units and pulverizers in the steam plant together with necessary coal handling equipment to permit the use of pulverized coal for fuel, replacing fuel oil. This work is expected to be completed early next year.

U. S. Paper Output At Record Level

New Orders About Equal Production Rate. Paperboard Output Higher

From Our Own Correspondent

MONTREAL.—United States paper production in the week ended Sept. 20 was almost unchanged from the record rate of the preceding week. The American Paper & Pulp Association's index of paper mill activity was 103.8% for the week, against 104% in the preceding week and 85% in the week ended Sept. 21, 1940.

New orders received during the week were about equal to production rates. Four of the last six weeks new orders have been in approximate balance with output.

Paperboard production during the week rose to 99%, the highest point for the year and compared with 98% in the preceding week.

European Newsprint Kept Out of U. S.

From Our Own Correspondent

MONTREAL.—For the third time in almost as many decades, the monthly report of the U. S. Department of Commerce fails to show imports of European newsprint. Returns for July, 1941, reveal a complete absence of such imports, whereas in the previous month 566 tons were brought into the United States.

For the first seven months of this year imports of European newsprint in United States totalled 2,865 tons. This is a modern all-time low and compares with 29,266 tons for the like period last year.

I. P. & P. Plans On Dividend Arrears

When all technical requirements involved in the changeover from International Paper & Power Co. to the new International Paper Co., the way will be cleared to act promptly in clearing up the arrears of $5 a share which have accumulated on the preferred stock, according to a statement issued by R. J. Cullen, president of International Paper & Power Co.

I. P. and P. Plan Meets Approval

Action Makes Possible Final Steps in Consolidating

From Our Own Correspondent

MONTREAL.—Stockholders of International Paper & Power Co. have voted approval of the reorganization agreement under which the company will become International Paper Co.

When all of the technicalities have been complied with the present International Paper & Power Co., a Massachusetts voluntary trust, will become a New York corporation.

Of 929,762 shares of 5% preferred, 75% were voted for ratification and of 1,826,036 common shares, 72% were voted in favor of the plan. Only 1,370 shares of preferred and 1,580 shares of common were voted against ratification.

Substantially the same amounts of both classes of stock were voted in favor and against an amendment to the declaration in trust authorizing the directors to terminate at such time as they will determine best, the trust under which the company was established.

International Paper & Power Co. has functioned solely as a holding company. Its major asset has always been the stock of International Paper Co., of which it holds well over 99% of both the preferred and the common. In addition it formerly held all the common stock of International Hydro-Electric System. The Class B stock of the system was owned by International Paper Co.

Neither International Paper nor International Paper & Power ever received any dividends on their holdings in the System. At the end of 1934 both companies wrote off their entire investment in International Hydro-Electric.

The purpose for which International Paper & Power Co. was formed, namely, to hold utility stocks which it was not possible to do under a New York charter, having passed, steps were taken earlier this year to wind up the company.

As a result of the vote ratifying the plan steps will now be taken for the distribution to each shareholder and warrant holder of International Paper & Power of corresponding shares and warrants of the new New York corporation.

The present International Paper Co. will be consolidated into the new corporation.

PRICE BROS. CAPACITY

Price Bros. & Co. annual newsprint capacity was mentioned as being 375 tons in last week's Pulp and Paper Supplement of The Financial Post. The figure given was obviously in error. Production should have been given as 375,000 tons of newsprint annually.

Supply Shortage Hits B.C. Loggers

Seek Priority Rulings on Wire Rope From U. S.

From Our Own Correspondent

VANCOUVER.—Priority rating on steel from the United States is being sought by Vancouver logging operators as a means of averting a serious shortage that threatens enforced curtailment of vital timber supplies for the defense programme.

Major Gordon Chutter, managing director of Canadian Wire Ropes, states that an acute situation faces the wire rope industry, providing one of the key requirements of the west coast loggers. He has written to the American section of the Office of Steel Controller, Department of Munitions and Supply, Ottawa, explaining the situation.

Steel Co. of Canada is the only manufacturer of steel wire in this country and it has not been able to meet the demand here because of the heavy supplies required in the East.

For the past 18 months most of the roping wire has been obtained by manufacturers here from the United States and a special priority rating is being asked not only to meet the requirements of the British Columbia loggers, but of the mine industry as well. Both these branches of industrial production, so essential to Canada's war programme, are dependent on steel wire.

There is reported to be an actual shortage in Vancouver of many sizes of wire rope. A similar situation threatens the supply of other vitally needed equipment, such as gas and Diesel engines for trucks and donkey engines, steel for donkey engine frames.

No Plans to Limit Use of Newsprint

From Our Own Correspondent

MONTREAL. — No curtailment of newsprint consumption in the United States is threatened in the immediate future, according to Norbert A. McKenna, chief of the Paper Section of the Office of Production Management.

"The time may come when it will be necessary to use less newsprint for publishing," he said, "but I cannot predict when."

If a shortage of pulp and paper supplies develops during the national emergency period, McKenna said it will probably result from lack of transportation facilities and the necessity of transferring pulp and paper labor into more essential industries.

U.S. Publishers Set Mark For Paper Used in August

Apparent Total of 290,247 Tons Highest on Record for Month — Cumulative Total to Date 3.1% Above 1940 Returns

From Our Own Correspondent

MONTREAL. — Apparent total consumption of newsprint paper by all United States publishers in August amounted to 290,247 tons, according to figures released by the Newsprint Association of Canada. This contrasts with 278,453 tons in July and with 275,686 tons in August, 1940.

Cumulative consumption of newsprint by American publishers for the first eight months of 1941 totalled 2,466,643 tons. This compares with 3,292,309 tons for the like period of 1940, an increase of 3.1%.

During the past month American publishers received 249,744 tons of newsprint paper, which, added to the stock of 320,602 tons on hand at the beginning of the month, gave a total supply of 670,346 tons. The amount used during the month was 224,361 tons and the amount sold 827 tons, leaving 345,158 tons on hand at the end of August. At the same time 38,706 tons were in transit, giving the publishers total stock on hand and in transit of 383,864 tons as at August 31.

These returns cover only the reports of member firms in the American Newspaper Publishers Association. The apparent total supply of newsprint on hand with all American publishers at the close of last month amounted to 642,004 tons. This represented an increase of 44,000 tons over that reported at the end of July and is the largest total reported for any month since February, 1938.

The visible supply of newsprint paper in North America at the end of last month totalled 876,953 tons. This was the largest figure reported at any time in the last three years and compared with 839,204 at the close of July 1941. Of the August total American publishers had 642,004 tons; Canadian manufacturers 155,214 tons; American mills 18,459 tons and Newfoundland mills the balance.

The percentage distribution of the United States sources of supply for the first eight months of this year remained unchanged from that reported at the end of July.

Imports from Canada totalled 1,753,782 tons; from Newfoundland, 158,644 tons; from domestic mills 663,538 tons and from Europe, somewhat less than 3,000 tons. Shipments from Canada represented 68% of the total supply, while shipments from Newfoundland and U. S. mills accounted for 6% and 26% respectively.

To Use Cardboard For Cigarettes

From Our Own Correspondent

MONTREAL.—Beginning with the new year, or possibly before then, cigarette manufacturers in Canada will use cardboard exclusively in packaging cigarettes. This follows upon action of F. B. Kilbourn, steel controller, who has advised manufacturers that, effective Sept. 16, no new orders may be placed with producers of sheet steel for use in manufacture of cigarette containers. Sheet metal on hand and especially adapted to this purpose may, however, be used in manufacture of cigarette tins up to the end of the year "after which the production is to be discontinued."

Ottawa Limits Use of Chlorine

Canadian Pulp and Paper Mills Chiefly Affected by New Order

From Our Own Correspondent

MONTREAL.—Further restriction in the use of chlorine in the manufacture of pulp and paper is embodied in an order, effective Oct. 6, issued by J. D. Lorimer, Chemicals Controller.

Exemption is provided for the use of chlorine for bacteriological purposes and also for pulps with not less than 90% alpha cellulose content, dissolving pulps, and nitrating pulps.

Pulps from which chlorine is a processing rather than a bleaching chemical also are exempt, but application for exemption must be submitted in writing, together with supporting facts, to the chemical controller.

Controls Color of Pulp

The new regulation provides the brightness of bleached sulphite and bleached sulphate shall not exceed 76; similarly, the brightness of soda pulp and waste paper when used for conversion into bleached paper shall not exceed 74.

For the purpose of bleaching rag stock, the order states further that no pulp or pulp manufacturing shall consume in any quarter starting October 1, 1941, a greater amount of chlorine per ton of rag stock treated than 80% of its consumption in the six months ended July 31, 1941. Further, for the purpose of making semi-bleached woodpulp, quarterly consumption of chlorine per ton of semi-bleached woodpulp made shall not exceed 70% of per ton consumption in the six months ended July 31, 1941.

"Freezes" Pulp Types

The order prohibits any change in the proportion of bleached, semi-bleached and unbleached pulps in the making of any specific grade of paper "until adequate brightness stands for paper are established," or any increase in the brightness of any paper beyond that now in effect.

To prevent competitive advantage it is also ruled that "persons making their own chlorine supplies shall conduct their operations so that the resulting effect on the pulp and paper they make shall be similar to that obtaining in other mills under this order."

C.P.R. Lines in U.S. Better Position

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway Co.'s lines in Vermont and Maine have been operated at a smaller loss this year.

During the first seven months in 1941 operating revenues of $3.2 millions registered an increase of $600,000 over that reported for the same period in 1940. Expenses were somewhat higher, but the net railway operating loss was reduced for the lines both in Vermont and Maine.

Ahead for Seven Months

The cumulative returns for the current year to the end of July with comparative figures for 1940 follow:

(Seven Months Ended July)
C. P. R. Lines in United States

Vermont	1941 $	1940 $
Oper. revenue	801,380	703,783
Oper. expenses	824,892	784,379
Net oper. loss	225,316	276,892
Maine		
Oper. revenue	2,424,968	1,929,302
Oper. expenses	1,564,742	1,273,879
Net oper. loss	567,189	426,183

Rolland Paper Sales Upward

Rolland Paper Co. sales for the current year are reported to have improved more than one third as compared with the like period a year ago, but net income is on a somewhat lower scale. In addition to higher taxes the company has had to contend with the upper trend of material cost, including pulp, rags, dyes, etc.

Despite the substantial rise in volume, the increased capacity of the company's mills, which raised its annual rating to around 23,400 tons, has not been fully employed, except periodically.

Woodpulp Price Holding Steady

Rate Schedules Unchanged in October With Few Exceptions

From Our Own Correspondent

MONTREAL.—Majority of woodpulp prices in the United States have been reaffirmed either for October or for the third quarter, although there have been some adjustments upward on certain grades from some suppliers.

On the west coast of the United States the price of bleached sulphite pulp will remain unchanged at $72.50 a ton for the final quarter of the year. No announcement has been made yet on Pacific Coast unbleached sulphite pulp.

With virtually no spot market for southern kraft pulp, the contract prices range from $65 to $75 a ton. One southern producer has just raised his price from $60 a ton, which was behind the market, to $70 a ton.

Kraft Prices Firm

The price of West Coast kraft pulp in the eastern United States market has been advanced $5 a ton to $75 for October. Only a limited quantity of that pulp comes into the eastern market.

The price of bleached kraft pulp also has been advanced $5 a ton to level of $87.50 for October.

The difference between bleached and unbleached West Coast kraft pulp is just about the bleaching expense.

These price are for October and no quotations have been set for November and December.

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Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

THE WEEK'S QUOTATIONS

WEEK ENDING SEPTEMBER 29

Range 1941 High	Low	Div R'te $	Sep 27 Y'ld %		Sales	Last Sept. 23	Week end. Sept. 29 H	L	Cl'se
				A					
1.15	.50		...	Abitibi	4650	1.00	1.05	.95	.95
9	4		...	Do. pref. 6%	7438	7½	9	7½	9
14½	8		...	Do. pref. 7%	70	12	14½	12½	14½
3	1		...	Acme Glove	....	(2½ bid — asked)			
60	50	6.50	11.8	Do. pref.	....	(52 bid 60 asked)			
[illegible]									

Range 1941 High	Low	Div R'te $	Sep 27 Y'ld %		Sales	Last Sept. 23	Week end. Sept. 29 H	L	Cl'se
17¾	14¾	1	5.6	Ford Motor A	2328	17	[illegible]		
17¼	15	1	5.8	Do. (B)	10	16¼	[illegible]		
.15	.15		...	For. Pr. Secs.	....	(— bid — asked)			
16¾	10¾	1	6.4	Foundation Co.	340	15¾	[illegible]		
11¼	4¼		...	Fraser Cos.	35	11	[illegible]		
13	5¾		...	Do. Vot. Tr.	1001	11¾	[illegible]		
.50	.50		...	Freiman	....	(.50 bid — asked)			
47	41		...	Do. pref.	....	(50 bid — asked)			
9¾	6	‡55c	..	Gatineau Pwr.	80	7	[illegible]		
90	70	5	6.7	Do. pref.	40	75	[illegible]		
[illegible]									

Quotations: * 1940. ** 1939. ‡ Paid in 1940. ♦ On account of arrears. † Paid or payable in 1941 to date. ‡ Participating. ‡ Paid in 1941 after corporate income tax.

Mining Stocks

Week Ending September 30

Par Val.	Range 1941 High	Low	Company	Sales	Close Sept. 23 (or last)	High for week	Low for week	Close Sept. 30
[illegible]								

Vancouver Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Sept. 23	High for week	Low for week	Close Sept. 30
[illegible]								
1	2.00	1.26	Pend Oreille	[illegible]	1.85	1.70	1.60	1.60
1	2.55	1.95	Pioneer Gold	475	2.40	2.40	2.38	2.40
No	.03½	.01½	Premier Border	5,000	.02	.02	.01½	.02
1	.97	.80	Premier Gold	1,283	.84	.85	.80	.80
No	.63	.44	Privateer Mines	2,600	.53	.55	.53	.53
1	.02½	.01½	Quatsino Copper	5,000	.01½	.01½	.01½	.01½
1	.37	.10	Reeves McDonald	100	.30	.26	.26	.26
1	.03	.01	Relief Arlington	10,000	.01	.01½	.01½	.01½
1	.13	.10	Reno Gold	......	(.10 bid .11 asked)			
1	*.06½	.04	Sally Mines	......	(.... bid .... asked)			
50c.	.02½	.01	Salmon Gold	......	(.00¾ bid .... asked)			
50c.	1.00	.72	Sheep Creek	600	1.00	.98	.97	.97
1	.85	.65	Silbak Premier	928	.70	.78	.76	.78
No	.00¾	.00¾	Silvercrest	......	(.... bid .... asked)			
1	*.05	.05	Sunloch	......	(.... bid .... asked)			
50c.	.15	.10	Surf Inlet	......	(.11 bid .... asked)			
No	.02	.02	Taylor Bridge	......	(.02 bid .04 asked)			
20c.	.00¾	.00¾	Wellington	......	(.00¾ May 16)			
50c.	*.00¾	.00¾	Wesko	......	(.... bid .00¾ asked)			
1	.02	.00¾	Whitewater	500	.01¾	.01¾	.01¾	.01¾
No	.08	.04½	Ymir Yankee Girl	......	(.04½ bid .06 asked)			

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Sept. 23	High for week	Low for week	Close Sept. 30
1	.09½	.05	Alta. Pac. Cons.	......	(.07 bid .... asked)			
No	.83	.46	Anglo Canadian	......	(.... bid .61 asked)			
No	.08½	.03½	Anaconda	......	(.03 bid .04 asked)			
No	.07	.04	Brit. Dominion	......	(.06½ bid .... asked)			
No	.07½	.05	Brown Oil	......	(.07½ June 10)			
No	1.50	1.01	Calgary & Ed.	200	1.34	1.30	1.28	1.28
1	.26	.14	Calmont	1,300	.20	.20	.18	.19
No	.28	.18	Commoil	......	(.21 bid .... asked)			
No	.26	.19	Commonwealth	......	(.... bid .32 asked)			
No	.30	.20	Dalhousie	1,000	.22	.25½	.25	.25
No	.16	.13½	Davies Pete	......	(.15 Sept. 16)			
No	.04	.02	East Crest	......	(.02½ bid .... asked)			
No	.19	.11	Extension	......	(.18½ Aug. 11)			
No	.36½	.21	Federated Petroleum	......	(.20 bid .... asked)			
No	.85	.41	Foothills	......	(.65 bid .80 asked)			
No	.16	.07	High Sarcee	300	.13½	.16	.13½	.16
No	2.66	1.50	Home Oil	3,700	2.46	2.55	2.39	2.45
No	.01½	.01	Madison	......	(.... bid .01½ asked)			
No	.02	.01	Marjon Oil	1,200	.01½	.01½	.01½	.01½
No	.07	.04	McD. Segur Ex.	500	.05	.05	.05	.05
No	.05	.02	Mercury	2,000	.04½	.05	.04½	.05
No	.09	.04	Mill City Pete	1,000	.08	.09	.09	.09
1	.20	.12	Model	200	.18	.20	.20	.20
25c.	.05½	.04	National Pete	......	(.04 bid .... asked)			
1	*.05	.04	Nordon	......	(.... bid .... asked)			
No	.75	.40	Okalta	......	(.56 bid .... asked)			
No	.04	.02	Pacalta Oil	......	(.02½ bid .... asked)			
1	.26	.18	Pacific Petroleums	1,000	.20	.20	.20	.20
No	.15	.04½	Royal Canadian	3,500	.04½	.04½	.04½	.04½
No	*.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	25.00	17.12	Royalite	......	(.... bid 25.00 asked)			
No	.01½	.01	South End	......	(.01 bid .... asked)			
No	.25	.10	Southwest Pete	100	.25	.22	.22	.22
1	.05½	.02½	Spooner	......	(.02½ Apr. 9)			
25c.	.14	.10	Sunset Oil	......	(.... bid .09 asked)			
No	.05½	.03	United	500	.05	.05	.05	.05
No	.04½	.03	Vanalta	1,400	.03½	.03½	.03½	.03½
1	.38½	.20	Vulcan	......	(.20 bid .30 asked)			

* Quotations for 1940.

Winnipeg Stocks

(Transactions from Sept. 22 to Sept. 27)

	Sales	High for period	Low for period	Close Sept. 27
Beaver Lumber, c.	100	3.00	3.00	3.00
Flin Flon Gold	500	.00½	.00½	.00½
Great West Life	15	195.00	195.00	195.00
Forty-Four	775	.20	.20	.20
Monarch Life	20	24.00	23.75	23.75
Northern Trusts	153	7.50	7.00	7.00
Rand Malartic	1,000	.18	.18	.18
Rice Lake	1,000	.00½	.00½	.00½
United Grain Growers	1	10.00	10.00	10.00
Western Steel Prod.	65	9.00	8.75	8.75
Wings	450	.75	.75	.75

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	5¼
Can. Indemnity	150	..	Home Invest.	15½	..
Beav. Lumber, p.	102½	..	Nor. Can. Mtg. p.	5	..
Can. Airways	1	..	Traders Bldg.	43	..
Corr. P. Box, s.	.60	..	West. Brew.	1⅝	2
Dom. Envelope, c.	8	9	West. Grain, p.	..	9
Dom. Envelope, p.	95	100	Wings	.35	..
Fed. Grain, c.	.35	..	Do., vot. tr.	.35	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 30	7,200	10,600	183,000	......
Sept. 29	10,000	4,900	166,000	10,575
Sept. 27	3,100	11,100	197,000	10,320
Sept. 26	4,600	11,900	211,000	12,200
Sept. 25	8,400	12,800	205,000	21,205
Sept. 24	7,300	12,700	176,000	26,200

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

Oct. 1, 1941

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100¾	100¾	.18
1½	May '42	100¼	100¾	.45
2	June '42	100¾	101¼	.18
3	Oct. '42	102	102½	.76
2½	June '43	101½	102¼	1.15
5	Oct. '43	106¼	106¾	1.69
2	June '44	100¾	101¼	1.52
a2½	Jan. '44	98¾	99½‡	2.58
4½	Oct. '44	107½	108¼	1.77
2½	Nov. '44	101¾	102¼	1.70
a2½	Aug. '45	98½	99½‡	2.63
4	Oct. '45	104¼	105	b1.60
4½	Feb. '46	109	109¾	2.15
3½	June '49	102¾	103½	b2.45
3½	Oct. '49	102¾	103½	b2.33
3½	Nov. '51	101¼	102	b2.94
3½	Feb. '52	101¼	102	b2.90
a5	May '52	101¼	102½‡	b.85
4	Oct. '52	105¾	106¼	b2.85
3	Oct. '52	98½	99¼	3.08
3	June '55	98¾	99½	3.04
4½	Nov. '56	107	107¾	b2.85
4½	Nov. '57	107¾	108½	b2.96
3	June '58	98¼	99	3.05
4½	Nov. '58	108½	109¼	b3.05
4½	Nov. '59	109½	110¼	b3.07
a4	Oct. '60	104	105‡	b3.35
a3½	Jan. '61	97¼	98¼‡	3.37
3½	June '66	100¾	101¼	b3.15
a3e	Jan. '67	94	95‡	3.28
a3e	Nov. '68	94	95‡	3.27
†3	Perpet'l.	93	93¾	3.20
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100¼	101¼	1.08
2½	Jan. '46	100¼	101¼	1.95
3	May '44	102¼	103¼	1.61
3	Dec. '50	99¼	100	3.00
3	Feb. '53	98	99	3.08
3	Jan. '59	97¾	98½	3.11
*4½	Sept. '51	114¼	116	2.65
*4½	Feb. '56	115¾	116¾	3.04
4½	July '57	116¼	117¼	3.10
*4½	June '55	117¾	118½	3.06

%	Due	Bid	Ask.	Approx. Yld.
5	Feb. '54	116¾	117¾	3.24
*5e	July '69	115¾	117¼	b.50
*5e	Oct. '69	119½	120½	b2.71
*5e	Feb. '70	119	120	b2.86
	Grand Trunk Pacific Rly.:			
3	Jan. '62	99½	100¼	2.90
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	91	93	3.84
3½	Aug. '49	94	96	3.80
3½	June '56	93½	95½	3.90
c4	Nov. '47	101	103	b3.22
c4½	Apr. '61	104	106	3.81
c5	Jan. '60	107	109	4.28
	Nova Scotia:			
3	Jan. '52	95½	97	3.33
3½	June '56	95½	97½	3.46
3½	Nov. '50	99	100½	3.42
c4½	Sept. '52	106	107½	b3.12
c4½	Nov. '60	110	112	3.62
c5	Mar. '60	116	118	3.60
	Ontario:			
2½	May '45	99½	100½	2.42
3	Apr. '48	99½	100½	b2.94
3	Nov. '50	98½	99½	3.06
3½	Nov. '51	100	101	b3.11
3½	May '55	100	100¾	b3.16
*4	June '62	109½	111¼	3.22
*4	June '50	109½	110½	3.10
*4½	Jan. '62	116	117	3.33
5	Oct. '48	111	112½	3.02
*5	Dec. '60	121	123	3.36
5½	July '46	111	112	2.82
	Ont. Hydro Commission:			
3	Aug. '48	99½	100½	b2.86
3½	Feb. '53	100	101	b3.11
3½	Apr. '47	101½	102½	3.00
	Prince Edward Island:			
4	Mar. '54	100	101	3.90
	Quebec:			
3	Nov. '47	96½	98	3.36
3½	Mar. '48	96½	98½	3.51
3½	Mar. '59	95	97	3.73

%	Due	Bid	Ask.	Approx. Yld.
4	Nov. '52	100	102	[illegible]
3½	Feb. '55	98	[illegible]	[illegible]
4½	Aug. '58	102	104	[illegible]
4½	Jan. '63	104	107	[illegible]
	Alberta:			
4	Dec. '54	63	67	[illegible]
4½	Oct. '51	66	70	[illegible]
4½	Oct. '56	65	69	[illegible]
*5	Oct. '59	66	70	[illegible]
c5½	Apr. '52	69	72	[illegible]
6	Mar. '47	71	74	[illegible]
	British Columbia:			
c4	Dec. '37	99	103	[illegible]
*4½	Jan. '51	105	108	[illegible]
c4½	Oct. '53	106	109	[illegible]
c5	Apr. '54	109	113	[illegible]
5½	Feb. '45	104	108	[illegible]
6	Feb. '47	106	110	[illegible]
	Manitoba:			
c4	Dec. '37	94	98	[illegible]
c4½	Dec. '56	97	101	[illegible]
*5	Dec. '59	101	105	[illegible]
5½	Oct. '55	102	106	[illegible]
6	Apr. '47	103	107	[illegible]
	Saskatchewan:			
4	Sept. '54	75	79	[illegible]
4	Nov. '60	74	78	[illegible]
c4½	Oct. '51	85	89	[illegible]
c4½	Mar. '60	81	85	[illegible]
5	Aug. '58	84	88	[illegible]
5½	Oct. '52	90	94	[illegible]
6	Mar. '52	93	97	[illegible]

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. ‡-Payable N.Y. †-Callable on or after Sept. 15, 1966. ‡-Traded flat.—Interest being paid at 50% of coupon rate, minimum rate 2%. a-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

Sept. 30, 1941 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., pf.	46	48
Andian National	30½	31½
Anglo C. Tel., A	7¾	8½
Atlas Steel	19½	..
Barrymore, pfd.	30	..
B. C. Pulp, c.	13½	15
Do., pfd.	70	73
B. C. Sugar	74	76½
B. C. Tel., 1st p.	111	114
Burns & Co., A	4	5
Do., B	2¾	3¾
Can. Co-op. Wl.	8	..
Can. Indust., A	176	180
Can. Ing. Rand	75	77
Can. Mot. L.A.B.	2¾	..
Can. Tube, 1st p	88	..
Chase, A. W., p.	18	20
Claude Neon, p.	4¾	5½
Colonial Steam.	24	26
Copeland Fl. un.	12	14
Colonial Realty	2	..
Dom. Manuf., p.	60	65
Dunlop T. p. $25	21	22
East. Steel, pf.	..	20
Easy Wash. p $10	10½	11
Goderich Elev.	6¾	7½
Guelph Carp., c.	17½	19
Gurney Fdry., p	1½	1½
Hayes Steel, c.	13½	14½
Hi'land Dairy, p	48	51
Homewood San.	..	108
Inglis, John	4½	4¾
Ingram & Bell p	95	..
Kingst. Ship. un	31	32½
Loblaw, Inc., c.	10½	11½
Minn. & Ont. P. c	4	4¾
M'row Screw, p.	104	106
Do., com.	12½	..
Moirs, Ltd.	18½	21½
Morrison Br. un	4	5

	Bid	Ask.
Mt. R. Hotel, c.	2½	3¾
N. B. Tel., c.	10½	12½
Neilson, Wm. p.	100	..
N. Meth. Ldy. p	55	58½
Ont. Jockey C.	800	900
Ont. Tobacco, p.	16	19
Pac. C. Term. c.	9½	10½
Prov. Paper, pf.	100	102
Ruddy, E. L., p.	22	25
Quinte Milk	2½	3½
Stand. Fuel, p.	52½	55
Stedman, pf. $50	57	59
Sutton Horsley	1	1½
Tor. Carpet, c.	40	..
Do., pfd.	65	70
Un. F. Co-op.	2½	3½
Un. Steel A pf.	23½	25
Viceroy Mfg., p.	25	..
Do., com.	13	..
Trusts & Loan Stocks:		
Brit. Mtge.	122	132
Brockville Tr.	40	..
Capital Tr.	30	32½
Comm. Fin., c.	3½	3¾
Grey&Br. Tr. $50	44	46
Guaranty Trust.	100	103½
Guelph & O. $50	51	53½
Indust. Mtge.	24	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	..	46
Sherbrooke Tr.	120	..
Sterling Trust	50	55
Traders Fin. A c	6	8
Do., A pfd.	75	79
Trusts & Gr. new	40	43
Victoria Trust	73	77
Waterloo Trust	99	..

Insurance Stocks:	Bid	Ask.
Canada Life	375	[illegible]
Brit. Amer.	50	[illegible]
Canadian Fire	80	[illegible]
Confed. 30% pd.	132	[illegible]
Continental L.	35	[illegible]
Crown, fully pd.	[illegible]	[illegible]
Dominion Fire	[illegible]	[illegible]
D. of Can. Gen.	115	[illegible]
Empire, 25% pd.	5	[illegible]
Excelsior 38% pd	70	[illegible]
Federal, 25% pd.	51	[illegible]
Great-West Life	[illegible]	[illegible]
Halifax Fire	13½	[illegible]
Imperial Life	[illegible]	[illegible]
Manufac. Life	225	[illegible]
Monarch Life	22	[illegible]
National Life	..	[illegible]
Sov. L. 25% pd.	[illegible]	[illegible]
Sun Life	[illegible]	[illegible]
Tor. General	41	[illegible]
Wellington Fire.	58	[illegible]
Western Assce.	43	[illegible]
Theatre Stocks:		
Allen's King. un.	62	[illegible]
Do. St. Cath. un	52	[illegible]
Mansf. Theat. p.	28	[illegible]
Para. Kitch., p.	50	[illegible]
Do., Oshawa, c	8	[illegible]
Investment Trust Shares:		
Can. Investors	4	[illegible]
Inv. Found. un.	42	[illegible]
Sec's. Hold., pf.	18	[illegible]
United Corp., A	23½	[illegible]
Do., B	5	[illegible]
Power Issues:		
Can. W. N. Gas	26	[illegible]
Do., pfd.	101	[illegible]
Gt. Lakes Pr., p	101	[illegible]
Mtl. Is. Pwr., p.	41	[illegible]
Nor. Ont. Pr. p.	70	[illegible]

Unlisted Mines

Toronto, Sept. 30, 1941

	Bid	Ask
Albany R (Old)	.03	.05
(New)	.09	.11
Amal Kir	.08	.11
Anoki	.03½	.04½
Aquarius	.18	..
Arjon	.04	.05
Armistice	.13	.16
Argosy	.06	.08
Area	.03¾	.04½
Athona (Old)	.01	.02
(New)	.02	.03
Barb Lar	.02½	.03
Bilmac	..	.02
Brock	.25	.27
Buf Bear	..	.03
Calder Bo	.05	.06
Can Rad	.08	.10
Central M	.02½	.03
Cheminis	.03¾	.04½
Coin Lake	.02½	.03½
Cons Chib	.05	.08
Crescent	.00¾	.01½
Dayton	.01	.02
Demp Cad	.01½	.01¾
Denovo	.10	.12
Delpine	.13½	.15½
Desants n	.13	.16

	Bid	Ask
Dona Pat	.00¾	.01½
E Laco'a	..	.01
Eastward	.17	.20
Elmos	.06	.08
Franco	.28	.33
Galore	.01	.02
Gate Pat	.00¾	.01½
Gilbec	.00¾	.01½
Highridge	..	.08
Hoyle nw	.19	.19½
Hugh PaP	.05	.06
Hutch Lk	.01½	.02
Jasper	..	.14
Keora	.01½	.02
Kenricia	.01	.02
Kewaga'a	.01	.03
Kiena	.01	.03
Kirk Gate	.00¾	.01½
Lacoma	.00½	.01½
Laguerre	.30	.32
Lake Df	.16	.17
Lake Gen	..	.13
Largold	.20	.23
Lw Pete	.13	.16
Magnet C	.82	.87
Magnet L	.18	..
Martin Br	.03½	.04½
Margaret	.08	..
Mata Can	*.02½	.03½

	Bid	Ask
Mata Con	.16	.20
McMar'ac	.34	.37
Mof Hal n	.02	.03
Mooshla	.01½	.02½
Mosher	.07	.09
McManus	.01¾	.02½
Nat Mal	.33	.35
New Aug	.23	.25
Nickel O	.70	.85
Northland		
Norbeau	.20	.25
(1940)	.03	.04
Norwin	.03	.05
New Mal	.16	.18
Numalake	.09	.11
Oklend	.04½	.06
O'Leary	.03½	.04
Ont. Nick	.12	.14
Opemiska	.06	..
Oriole	.00¾	.01½
Orpit	.11	.12
Ossian	.00¾	.01½
Pascalis	.32	.35
Pontiac R (Old)	.03	.04½
Pelangio	.02	.03
Phoenix	.01	.02½
Polaris	.05	.08

	Bid	Ask
Propri'y	[illegible]	[illegible]
Presdor	[illegible]	[illegible]
Queb Mn	.15	[illegible]
Rahn Lke	..	[illegible]
Rand Ml	.14	[illegible]
Red Lake	[illegible]	[illegible]
Ribago nw	[illegible]	[illegible]
Rouge D	[illegible]	.11
S.A.G.A.	.75	1.00
Sachigo	[illegible]	[illegible]
Sanshaw Special	..	[illegible]
Senore	..	[illegible]
Shenango (New)	.15	.18
Sheldon	[illegible]	[illegible]
Skynner	[illegible]	[illegible]
Smelt G	[illegible]	.01
Sunbeam	..	[illegible]
Springer	.24	.28
Stadacona	.09	.11
Thomson	.14	.16
Treaty Pt	..	[illegible]
Union Mn	[illegible]	[illegible]
Tobico	.08	.11
West Red	[illegible]	[illegible]
Wesley	.04	[illegible]
Y David'n	.24	[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 30, 1941

Public Utility Issues:	Int. Rate	Due	Bid Sept. 30	Asked	Bid Sept. 23 %
▲†Alg. C. H.B.R.	5	'39	10	13	11½
†Assoc. Tel. & T.	5½	'55	71½	74½	73½
B. C. Power	4½	'60	100	102	100
B. C. Tel.	4½	'61	106	108	106
†Calgary Pwr.	5	'60	107	109	106½
Do.	5	'64	103	...	103
†Can. Nor. Pwr.	5	'53	101½	103½	102
*Dom. Gas & El.	6½	'45	102½	104½	102½
Gatineau Pwr.	5	'49	100½	102½	100½
*Do., A	3¾	'69	98	100	99
♦Do., B	3¾	'69	98	100	98
Gt. Lakes Pwr.	4½	'56	100½	102½	100½
Do.	5	'57	98	101	98
*Int. Hydro-El.	6	'44	41	44	43½
▲Inter. Power	6	'55	101½	103½	101½
L. St. Law. Pwr.	5	'55	98	101	98
Macl'n-Que. Pr.	5	'59	99	101	98½
Mtl. L. H. & Pr.	3½	'56	103	105	103
Do.	3½	'73	101	103	101
Do.	3½	'63	102	104	102
†Mtl. Tramways.	5	'41	97	100	97
†Do.	5	'55	71	74	71
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	100½	102½	100½
Ottawa L.H.&P.	4	'57	101½	103½	101
Ottawa V. Pwr.	5	'59	101	103	101½
†Power Corp.	4½	'59	95	98	95½
Quebec Pwr.	4	'62	101½	103½	101
*Saguenay P.	4½	'66	107	109	107
♦Do., B	4½	'66	104½	...	104½
St. Maurice Pr.	4½	'70	102	104	101½
Shaw. W. & Pr.	4	'61	102	104	101½
Do.	3½	'46	100½	102½	100½
Do.	4	'69	101½	103½	101
Union Gas	4½	'50	102	104	102
*Twin C. R. Tr.	5½	'52	70½	73½	71½
†United Secs.	5½	'52	39	42	39
‡Wpg. El. ser. A.	5	'65	75½	78½	76
Do., B	5	'65	56½	59½	56
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	79	82	77
Do., C.O.D.	5	'53	66½	69½	77
Acadia Sugar	4½	'55	101½	103½	101½
Do.	6	'54	98	101	97½
†Alta. Pa. Grain.	6	'46	101	103	101
Algoma Steel	5	'48	103½	105½	103½
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	94	97	93½
‡†Do.	7	'50	115	118	114½
*Brown Co.	5½	'46	..	..	69
Burns & Co.	5	'58	65	68	66
Canada Cement	4½	'51	103½	105½	103
Canada Electric	4½	'65	96½	99½	97
Can. Paper	4½	'52	101½	103½	101½
Can. Steamships	5	'57	100½	102½	100½
Can. Canners	4	'51	102½	104½	102
*Can. Int. Paper.	6	'49	104½	106½	104½
‡Can. Locomotive	6	'53	91	94	89½
‡†Candn. Vickers	6	'47	75	78	75
C. P. R.	3½	'51	95	97	95
Do.	4	'49	98½	100½	98
Do.	6	'42	101	103	101
Col. Steamships	6	'54	99	102	98½
†Consol. Paper	5½	'61	74½	77½	..
Dom. Coal	4½	'52	101½	103½	101½
Dom. Scott. Inv.	4	'52	95	98	95½
Dom. Stl. & C.	6½	'55	106	109	106½
Dom. Tar	4½	'51	102½	104½	103
Dom. Woollens.	6	'33	97	100	97½
†Donnacona Pap.	4½	'56	79½	82½	80½
*Dryden Pap.	6	'49	100½	103½	100
‡Dufferin Pav.	5	'55	66	..	64½
†East. Dairies	6	'49	85½	88½	85½
Famous Players	4½	'51	99½	101½	99
†Federal Grain	6	'49	101	103	100½
†Fraser Cos.	6	'50	101½	103½	101
Galt Brass	5	'50	90	..	90
Gen. Stl. Wares	4½	'52	101	103	100½
*Gt. L. Paper	5	'55	97	99	96½
*Gurney Fdry.	5½	'49	76½	79½	76½
†Gypsum Lime	5½	'48	101½	103½	101
Ham. By-Pr. C.	5	'55	102	104	102
Do.	6	'56	100	102	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	102	...	102
Indust. Accept.	4	'52	..	82	79
Ins. Ex. Bldg.	3	'51	42½	45½	42
*Inter. P. Nfld.	4½	'68	91	94	91
*Inv. Bond & Sh.	5	'47	42	45	42
†Kingston Elev.	6	'50	105	107	104½
Lake St. J. P.	5½	'61	91	94	91½
Do.	5	'61	63	71	67
Legare	6	'61	86	89	86
Maple L. M.	3	'58	76½	79½	77
Man. Sugar	5	'60	100½	102½	100½
Massey-Harris	4½	'54	93½	98½	96
McColl-Fron.	4½	'49	101½	103½	102
McCormicks	4	'52	96	99	96
Do.	4½	'52	102	...	103

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

Sept. 30, 1941

Miscellaneous Stocks:	Bid Sept. 30	Asked	Bid Sept. 23
†Allens Tor. Th., p.	32½	35	[illegible]
Atlas Steel, 7% pfd.	102½	105½	[illegible]
Brown Co., new com.	2.10	2.40	[illegible]
Do., new p.	35½	[illegible]	[illegible]
Can. Col. Airways	3.10	[illegible]	[illegible]
*Can. Gen. Rubber, pfd.	23½	28	[illegible]
C.P.R., 4% pfd. (£ par)	1.85	2.25	[illegible]
Cawthra Apts., pfd.	1½	2½	[illegible]
Colling. Term. units	.75	1.00	[illegible]
Corrug. Paperbox, c.	.55	.75	[illegible]
Dover Industries	6½	7½	[illegible]
†Fort W., Hotel, units	43½	50	[illegible]
Galt Brass, c.	9½	10	[illegible]
Imperial Varnish, c.	9½	10½	[illegible]
Indust. Accept., 5% p.	72½	77	[illegible]
Inter. Equities units	26	29	[illegible]
Inter. Util., 1.75 pfd.	13¾	15½	[illegible]
Do., 3.50 pfd.	35	39	[illegible]
†Loew's London Th., p.	3	3½	[illegible]
*Monarch Mtge. Inv. un.	.30	.50	[illegible]
Murphy Paint, com.	9	10	[illegible]
Do., units	99	101	[illegible]
Nat. Hosiery, pfd.	.75	.90	[illegible]
Do., com.	.55	.80	[illegible]
†N. Amer. Elevator, p.	72	..	[illegible]
Reanite Corp.	2½	3	[illegible]
St. John Dry D., p.	100½	[illegible]	[illegible]
Second Stand. Royal., p	.04½	[illegible]	[illegible]
Third Can. Gen. Inv.	1¾	2	[illegible]
Tip Top Tailors Inc., p.	13¾	14½	[illegible]
Traders Finance rts.	12½	13½	[illegible]
Wentworth Radio, p.	2½	4	[illegible]
West Can. Hydro, p.	11½	12½	[illegible]
West. Life, 10% pd.	9½	10½	[illegible]

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate	Due	Bid Sept. 30	Asked	Bid Sept. 23
Mercury Mills	5	'59	95	98	[illegible]
Mersey Paper	5	'57	98	101	[illegible]
†Do.	6	'49	99	102	[illegible]
*M. & O. Paper	5	'60	90½	[illegible]	[illegible]
Moirs Ltd.	6	'53	87	90	[illegible]
‡Mtrl. Drydocks.	6	'48	70½	73½	[illegible]
Montreal Apts.	4	'54	57½	[illegible]	[illegible]
Nat. Grocers	4	'47	101	...	[illegible]
N. S. Stl. Coal	3½	'63	83½	[illegible]	[illegible]
Price Bros.	5	'57	98	100	[illegible]
Do.	4	'57	86	89	[illegible]
*Prov. Paper	5½	'47	104½	...	[illegible]
Reliance Grain.	4½	'52	96	99	[illegible]
†Restigouche Co.	6	'48	100	102	[illegible]
Rolland Paper	4½	'51	101½	103½	[illegible]
Ruddy, E. L.	6½	'48	101	103	[illegible]
Silv. Dairies	6	'66	93	96	[illegible]
Simpsons, Ltd.	4½	'51	102	104	[illegible]
Smith, Howard.	4½	'51	103	105	[illegible]
Stand. Lime	6	'44	97	..	[illegible]
Sterling Coal	6	'45	97	100	[illegible]
Stop Shop	3	'47	57	60	[illegible]
United Corp.	5	'53	93	..	[illegible]
*United Gas	5½	'48	104½	107½	[illegible]
United Gr. Grs.	5	'48	97½	[illegible]	[illegible]
†Western Grain	6	'49	67½	[illegible]	[illegible]

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

Sept. 30, 1941

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	112.00	113.00	[illegible]
Hamilton	5	1950	109.25	112.25	[illegible]
Montreal	5	1945	95.00	97.00	[illegible]
Ottawa	4½	1945	104.85	107.15	[illegible]
†Quebec	5	1959	106.00	108.00	[illegible]
Saint John	5	1950	104.50	106.50	[illegible]
†Toronto	4½	1955	110.00	112.50	[illegible]
†Vancouver	5	1950	102.00	104.00	[illegible]
Winnipeg	5	1944	102.00	104.00	[illegible]

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	[illegible]	[illegible]
Can. Amer. Trust	[illegible]	[illegible]
Can. Inter. Trust	[illegible]	[illegible]
Can. Invest. Fund	[illegible]	[illegible]
Corporate Investors	[illegible]	[illegible]
Trans-Canada	[illegible]	[illegible]

Mining Dividends

	Rate	Sept. 29	Yield %
Anglo-Huronian	▴10c	2.60	..
Aunor Gold	12c	1.73	..
Beattie Gold	16c	1.09	14.7
Bralorne	80c+40c	11.50	*10.4
Broulan Porc.	12c	.71	16.9
Buffalo Ankerite	▴30c	4.20	..
Bulolo Gold	$3	19.00	15.8
Can. Malartic	8c	.55	14.5
Cariboo Gold	16c+8c	2.25	*10.6
Central Patricia	16c+6c	1.70	*12.9
Chesterville	10c	1.65	..
Cochenour Willans	3c	.66	..
Coniagas	▴17½c	1.30	..
Coniaurum	16c	1.24	12.8
Cons. Smelters	$1+$1.50	40.50	*6.2
Delnite	▴3c	.73	..
Dome Mines	$2	22.50	8.9
East Malartic	▴20c	2.38	..
Falconbridge	15c	3.60	..
Francoeur Gold	▴4c	.51	..
Goldale	‡2c	.13	..
Gold Belt	▴2c	.23	..
Grandview	▴1½c	.15	..
Gunnar Gold	6c	.26	..
Hallnor	60c	4.00	15
Hard Rock	▴5c	.76	..
Hedley Mascot	8c	.48	..
Hollinger	65c+45c	12.63	*8.7
Howey Gold	▴4c	.23½	..
Hudson Bay	$2	28.37	7
Inspiration	†2c	.45	..
Inter. Nickel, com.	$2	36.00	5.5
Island Mountain	▴8c	1.25	..
Jason	†2c	.40	..
Kerr Addison	▴27c	4.35	..
Kerr Lake	‡10c	.30	..
Kirkland Lake	10c+2c	.70	*17.2
Kootenay Belle	▴6c	.25	..
Lamaque Gold	40c+15c	4.75	*11.6
Lake Shore	$1.40	14.87	9.4
Leitch	8c	.42	19
Little Long Lac	▴10c	1.80	..
Macassa	32c+3c	3.90	*9
Madsen R. Lake	‡6c	.65	..
Malartic Gold	†5c	2.40	..
McGillivray Coal	‡3c+1c	.23	..
McKenzie Red L.	12c	1.00	12
Moneta	8c	.37	..
McIntyre-Porc.	$2.22+$1.11	51.25	5.8
MacLeod-Cockshutt	‡20c	1.92	..
Naybob Gold	4c	.26	..
Negus	†5c	.60	..
Nipissing	15c	1.25	12
Noranda	$4	55.75	7.2
North Empire	▴20c	4.75	..
O'Brien Gold	10c	1.45	..
Pamour Porc.	12c	1.20	10
Pato Cons.	20c+2c	2.90	*7.5
Pend Oreille	‡6c	1.65	..
Perron Gold	16c+4c	1.48	*13.5
Pioneer, B.C.	40c	2.35	17
Pickle Crow	40c	2.75	14.5
Placer Develop.	$1.20	8.50	14.1
Premier	11c	.80	13.7
Preston E. Dome	20c+10c	3.15	*9.5
Privateer Mines	▴9c+3c	.53	..
Quebec Gold	‡2c	.20	..
Relief Arlington	3c	.01½	..
San Antonio	14c+6c	2.31	*8.6
Sheep Creek	16c	.95	16.8
Sherritt Gordon	▴5c	1.00	..
Sigma Mines	▴30c	7.45	..
Silbak Premier	16c	.78	20.5
Siscoe	▴6½c	.61	..
Sturgeon River	4c	.15¼	..
Sudbury Basin	▴2½c	1.61	..
Sullivan Cons.	▴5½c	.70	..
Surf Inlet	▴2c	.11½	..
Sylvanite Gold	28c	2.45	11
Teck-Hughes	40c+5c	2.78	*16.2
Toburn	12c+6c	1.38	*13
Upper Canada	▴11c	1.66	..
Ventures	▴10c	4.25	..
Waite Amulet	▴20c	4.80	..
Wendigo	3c	.20	..
Wright-Harg.	40c+30c	3.90	*17.9
Ymir Yankee	2c	.04⅞	..

*Yield including bonus. †Initial. ‡Paid in 1940. ▴Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Bathurst Pr., A	25c	Dec. 1	Nov. 14
Do., extra	25c	Dec. 1	Nov. 14
B.C. Tele., 2nd pf.	$1.50	Nov. 1	Oct. 17
Brant. Cordage, p.	32½c	Oct. 15	Sept. 20
Bralorne Mines	20c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
Bell Telephone	$2	Oct. 15	Sept. 23
B.C. Power, A	50c	Oct. 15	Sept. 30
Brit. Amer. Assur.	$1.50	Oct. 1	Sept. 26
Brockville Trust	62½c	Oct. 1	Sept. 20
Brompton Pulp	25c	Oct. 15	Sept. 30
Broulan Porc.	3c	Oct. 30	Sept. 30
Biltmore Hats	15c	Oct. 15	Oct. 9
Can. Indust., A, B	$1.50	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Nor. Power	▪15c	Oct. 25	Sept. 30
Do., pref.	▪$1.75	Oct. 15	Sept. 30
Canadian Car, pfd.	44c	Oct. 10	Sept. 20
Can. Fairbanks, p.	$1.50	Oct. 15	Sept. 30
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Can. For. Inv., com.	$1.20	Nov. 1	Oct. 15
Cel. of Amer. pfd.	†$1.75	Jan. 1/42	Dec. 16
Do., part. pfd.	†$3.50	Dec. 31	Dec. 16
Cent. Can. Loan	$2	Oct. 1	Sept. 20
Can. Converters	50c	Oct. 31	Sept. 30
Cons. D. Std. Sec. p	37½c	Dec. 15	Nov. 29
Commonw'th Pet.	3c	Nov. 10	Oct. 18
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Can. Oil, c.	12½c	Nov. 15	Nov. 1
Do., extra	12½c	Nov. 15	Nov. 1
Can. Silk Prod., A	37½c	Oct. 1	Sept. 15
Cons. Sand & Gr., p	$2	Oct. 15	Oct. 4
Comm. Alcohol, p.	10c	Oct. 15	Oct. 1
Dominion Bank	$2.50	Nov. 1	Oct. 20
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 14
Dom. Textile, pref.	$1.75	Oct. 15	Sept. 30
Dome Mines	▪50c	Oct. 20	Sept. 30
East. Twp. Tele.	25c	Oct. 15	Sept. 30
Extension Oil	‡0.445	Oct. 10	Sept. 15
Federal Grain, p.	$2	Nov. 1	Oct. 15
Foundation Co.	25c	Oct. 17	Sept. 30
Gould Pumps, pref.	†$2	Oct. 15	Oct. 1
Gt. Lakes Pwr., pf.	$1.75	Oct. 15	Sept. 30
General Trust, p.	$1.25	Oct. 15	Sept. 30
Guar. of N. Amer.	$1.50	Oct. 15	Sept. 30
Do., extra	$2.50	Oct. 15	Sept. 30
Guaranty Trust	$1.25	Oct. 15	Sept. 30
H. Smith Paper, p.	$1.50	Oct. 15	Sept. 30
Hollinger Cons.	5c	Oct. 7	Sept. 22
Do., extra	5c	Oct. 7	Sept. 23
Howey Gold	2c	Nov. 1	Sept. 30
Hart Battery	5c	Oct. 31	Sept. 30
Inter. Bronze	▪37½c	Oct. 15	Oct. 4
Do., pref.	▪37½c	Oct. 15	Oct. 4
Imperial Bank	$2.50	Nov. 1	Sept. 30
Inter. Milling, pfd.	†$1.25	Oct. 15	Oct. 3
Int. Nickel, pfd.	†$1.75	Nov. 1	Oct. 2
Invest. Found., p.	75c	Oct. 15	Sept. 30
Kerr Addison	5c	Oct. 28	Oct. 7
Kirkland Lake	10c+1c	.70	*15.7
Maritime Tel.	20c	Oct. 15	Sept. 20
Do., pref.	17½c	Oct. 15	Sept. 20
Melchers Dist., p.	30c	Dec. 15	Dec. 1
Maple L. Gdns., p.	40c	Oct. 15	Oct. 1
Moneta Porc.	2c	Oct. 15	Sept. 30
Montreal Tele.	°43c	Oct. 15	Sept. 30
McColl-Front., pfd.	$1.50	Oct. 15	Sept. 30
Mtl. L. H. & Pr.	37c	Oct. 31	Sept. 30
N. S. Trust	$3.50	Oct. 15	Sept. 30
Nat. Steel Car.	50c	Oct. 15	Sept. 30
Nat. Biscuit, c.	†40c	Oct. 15	Sept. 16
Nor. Ont. Power	▪20c	Oct. 25	Sept. 30
Do., pref.	▪$1.50	Oct. 25	Sept. 30
N.B. Telephone	12c	Oct. 15	Sept. 30
Nipissing Mines	▪15c	Dec. 11	Nov. 15
Ottawa Car. Air.	20c	Oct. 15	Sept. 26
Preston E. Dome	5c	Oct. 15	Sept. 30
Power Corp., pfd.	▪$1.50	Oct. 15	Sept. 30
Do., 2nd pref.	▪75c	Oct. 15	Sept. 30
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Premier Gold	2c	Oct. 15	Sept. 15
Rolland Paper	15c	Nov. 15	Nov. 5
Do., pref.	$1.50	Dec. 1	Nov. 15
Silbak Prem.	4c	Oct. 25	Oct. 3
Steel of Can.	75c	Nov. 1	Oct. 7
Do., pref.	75c	Nov. 1	Oct. 7
Saguenay Pwr. p	$1.37½	Nov. 1	Oct. 15
Stand. Paving, pf.	31¼c	Oct. 15	Oct. 4
South. Can. Pwr., p	$1.50	Oct. 15	Sept. 20
Sheep Creek Gold	4c	Oct. 15	Sept. 30
Simpsons, pref.	$1.62½	Nov. 1	Oct. 17
Stand. Radio, A, B	10c	Oct. 10	Sept. 30
St. Law. Corp., p. A	25c	Oct. 15	Sept. 30
St. Law. Paper, pf.	50c	Oct. 15	Sept. 30
Shawinigan W.	22c	Nov. 25	Oct. 24
St. J. Drydock, p.	$1.37½	Oct. 1	Sept. 22
Sullivan Cons.	2½c	Nov. 15	Oct. 15
Tuckett Tob., pfd.	$1.75	Oct. 15	Sept. 30
Toburn Gold	3c	Nov. 22	Oct. 22
Do., extra	1c	Nov. 22	Oct. 22
Un. Bond & Share	15c	Oct. 15	Sept. 30
Do.	15c	Jan. 15/42	Dec. 30
United Corp., A	37c	Nov. 15	Oct. 15
United Fuel, p. A	75c	Jan. 2	Dec. 20
Union Gas	20c	Dec. 15	Nov. 20
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
Weston, G., pref.	$1.25	Nov. 1	Oct. 15
Willson Stat., pfd.	$1.25	Oct. 15	Sept. 30
West. Assur., c.	$1.20	Oct. 1	Sept. 26

†Payable in U. S. funds.
°Net payment after corporate income tax.
▪Subject to approval of Foreign Exchange Control Board.
‡Final distribution of capital. Subject to approval of Foreign Exchange Control Board.

Dosco Advances Bonus For Sydney Steel-worker

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp. announces a cost of living bonus of $2.78 a week for all employees on the big Sydney steel plant. The bonus, retroactive to Aug. 1, applies to between 4,500 and 4,600 workers including the general office staff.

It replaces a previous bonus under which the employees received 15 cents per shift and two cents additional per hour in excess of eight hours work in any one day.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 236

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st October, 1941, making a total distribution of ten per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of November, 1941, to shareholders of record of the 20th October, 1941.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 11th September, 1941.

The Canadian Bank of Commerce

Dividend No. 219

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October 1941 and that the same will be payable at the Bank and its Branches on and after Saturday, 1st November next, to shareholders of record at the close of business on the 30th September, 1941. The Transfer Books will not be closed.

By Order of the Board.

A. E. ARSCOTT,
General Manager.

Toronto, 11th September 1941.

Dividend Notice
COMMONWEALTH Petroleum Limited

NOTICE is hereby given that a dividend of 3c per share has been declared on the outstanding no par value shares of the Company, payable on or after the 10th day of November, 1941, to the shareholders of the Company of record at the close of business on the 18th day of October, 1941.

The transfer books of the Company will not be closed.

By Order of the Board,

G. J. McKAY,
Secretary-Treasurer.

September 24, 1941.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1941, to Stockholders of record as of the 20th day of October, 1941.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1941. Payable the 1st day of November, 1941, to Stockholders of record as of the 20th day of October, 194°.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
September 26th, 1941.

Broulan Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND No. 5

Notice is hereby given that a Quarterly Dividend of three cents per share in Canadian funds has been declared on the issued capital stock of the Company and will be paid (less deductible taxes) on October 30th, 1941, to shareholders of record September 30th, 1941.

By Order of the Board,

D. R. MICHENER,
Secretary.

Toronto, Ontario, September 26th, 1941.

Penman's Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1941.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1941.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1941.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
September 24, 1941.

KERR-ADDISON GOLD MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 8

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on October 28th, 1941, to shareholders of record at the close of business on October 7th, 1941.

By order of the Board.

G. A. CAVIN,
Secretary-Treasurer.

Toronto, Ontario,
Sept. 26th, 1941.

Guaranty Trust COMPANY OF CANADA

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of 1¼%, being at the rate of 5% per annum on the paid-in capital stock of the Company, has been declared for the quarter year ending September 30, 1941, payable October 15, 1941, to shareholders of record at the close of business September 30, 1941.

By Order of the Board.

J. WILSON BERRY,
GENERAL MANAGER.

WANTED
FEDERAL GRAIN PREF.
CAN. VICKERS 6's
MTL. DRYDOCK 6's
WESTERN GRAIN 6's
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Foundation Co. Volume Grows

Construction Contracts on Books Largest Reported in Years

From Our Own Correspondent

MONTREAL.—Volume of business on the books of Foundation Co. of Canada at present is the largest in some years, being more than double that reported at this time a year ago.

Latest contract received is for construction of the new Tadoussac Hotel for Canada Steamship Lines. This work will run into several hundred thousand dollars and is scheduled for completion next spring.

The greater part of the work on the books of the company is connected directly and indirectly with the war effort. One of the largest contracts is for the extension of the Aluminum Co. of Canada's plant at Arvida. In the same area Foundation Co. is carrying out the installation of additional units at Chute-a-Caron plant and also has commenced work on the new power plant for the Aluminum Power Co. on the Shipshaw River.

Hold Many Contracts

Other power contracts being handled by the company include the remedial works for Beauharnois Light, Heat & Power Co. on the St. Lawrence River, and construction of the new dam on the Upper Lievre River for the Maclaren-Quebec Power Co.

Foundation Co. has a large volume of business in the Halifax area particulars of which are not available for publication. In addition to the foregoing the company has a number of industrial contracts such as the new acid plant for the E. B. Eddy Co. at Hull, the Longue Point plant of Canadian Car & Foundry Co., etc.

Expect Larger Profits

No particulars are available as to earnings during the current year. Following its usual custom, the company will not take into the 1941 accounts profits on uncompleted contracts. Consequently, financial statement for 1941 will not fully reflect activities of the company.

In the eight months ended Dec. 31, 1940, the company showed $1.17 a share earned on the common stock. This contrasts with $1.52 in the preceding 12 months. At present common stock of Foundation Co. is selling around 16, the highest point in the last four years.

Dominion Coal Status Outlined

Arthur Cross Tells Shareholders Reason for Deferring Preferred

From Our Own Correspondent

MONTREAL.—Production curtailment in the Cape Breton mines so affected output and earnings of Dominion Coal Co. that deferment of the dividend on the preferred stock was necessary, according to a letter sent by Arthur Cross, president, to the preferred shareholders. However, he adds, the company is hopeful that within a short time the situation may be corrected.

The loss in coal production and in turn earnings, is attributed by Mr. Cross to "an organized movement on the part of certain of the men employed in the Cape Breton mines to curtail the daily output."

Places Blame for Slowdown

"This 'slowdown' policy of the miners," he went on to say, "is part of a campaign instituted by certain members of the Miners Union, looking to the removal of the executive officers of their union, because these members are unwilling to accept an agreement negotiated in March, last, between the company and the officers of the union, which agreement made effective rates of wages and working conditions unanimously recommended by a tribunal appointed by the Federal Minister of Labor to investigate and report on these matters."

Despite the efforts to bring about a settlement the situation is basically unchanged. "Under these circumstances," says Mr. Cross, "you will appreciate the possibility of serious prejudice to the financial position of the company left your directors no alternative but to defer dividend action at the present time."

St. Lawrence Flour To Buy Preferred

St. Lawrence Flour Mills Co. has called a special meeting of shareholders, to be held immediately after the annual meeting on Oct. 10, to consider a by-law dealing with the purchase and redemption of preferred stock.

It is proposed to give directors authority to purchase on the open market for cancellation any of the 7% cumulative preferred stock of the company at a price not exceeding $125 a share.

It is also the intention to permit the company to buy preferred stock from its own shareholders at a maximum price of $125 a share.

At the end of last month the company had outstanding $575,000 of preferred stock.

Saguenay Power Co. Pays Off Serial Notes

Saguenay Power Co. has reported to the Securities & Exchange Commission, Washington, that on Aug. 31, it paid the maturing installment of $700,000 due on its 2½% bank loan notes payable in U. S. funds.

The company originally issued $3.4 millions of these notes, of which $700,000 matured in each of the years 1940 and 1941. The remaining $2 millions will mature at the rate of $400,000 annually.

Montreal Stock Values Higher During August

Value of listings in the Montreal Stock Exchange and Montreal Curb Market showed a moderate advance during August; out of 22 classifications, 17 were higher. The total value at the end of last month was $7,099 millions, against $7,070 millions at the close of the previous month.

Federal Grain Net Higher

Increased Volume of Grain Handled Accounts For Better Showing

Federal Grain Ltd. reports net profit for the year ended July 31, 1941, of $230,587. This compares with $94,141 for the previous year.

The 1941 net profit is equivalent to $7.68 a share on the company's preference stock compared with $3.14 a share earned in 1939-40. Announcement has just been made of a dividend of $2 a share which is payable Nov. 1, 1941, to shareholders of record Oct. 15. This is the first dividend since Feb. 1, 1931, and H. E. Sellers, president, states "it is hoped that further payments will be possible as conditions warrant."

The company provided $155,000 for income and excess profits taxes in the latest year which compares with $46,000 for the July 31, 1940, year.

Working Capital Down

Working capital is reduced this year by $112,617 from last year's $1.2 million. This is said to be due to erection of temporary country storage and terminal storage space and the acquisition of 28 additional country elevators at an advantageous price. Under arrangement with the Canadian Wheat Board, the Dominion government and other elevator companies, Federal Grain erected storage space in the form of country elevator annexes for seven million bushels of grain, and terminal annexes to hold five million bushels.

The company now operates 438 country elevators and 15,025,000 million bushels of terminal storage space.

Bank loans of $7.7 millions are due to the large amount of grain carried in store in the company's elevators. A year ago the company reported bank loans of $2.3 millions. First mortgage bonds to the amount of $161,000 were redeemed during the year, leaving $2.8 millions outstanding.

Mr. Sellers reports that:

"The company enjoyed a satisfactory handling of grain through its country and terminal elevators which resulted in the improved showing over previous years. Our handling for the current year will be reduced on account of the government's policy of encouraging reduction in wheat acreage and the poor crop returns over large areas of western Canada."

The company's annual meeting is to be held in Winnipeg on Oct. 30.

Winnipeg Electric Co. To Pay Higher Interest

Interest on general mortgage bonds of Winnipeg Electric Co. will increase from 4 to 5% after January, and the coupon to be paid on Jan. 2 on the "A" bonds will be the final at the 4% annual rate. Interest on the "A" general mortgage bonds is mandatory, but on the "B" bonds is on an income basis.

Under the rearrangement in 1935 it was provided that interest on the "A" bonds was to be at 4% to January, 1942, and thereafter to maturity at 5%. Under the same arrangement interest on the "B" bonds was to be paid at a maximum annual rate of 4% until January, 1942, out of available earnings and at a maximum rate of 5% to the end of 1946. From there the interest becomes mandatory at the annual rate of 5%.

Eastern Car Co. Call Bonds for Sinking Fund

Eastern Car Co., controlled by Dominion Steel and Coal Corp., has drawn by lot $45,000 face value of its 6% first mortgage bonds for purposes of the sinking fund. The bonds will be redeemed on Jan. 1, 1942, at 105 and accrued interest, with payment in Canadian funds.

At the end of 1939 the company had outstanding $420,800 of the first mortgage bonds. With the redemption effected in 1940 and that scheduled for Jan. 1 next, the company's bonded debt will have been reduced to $221,800.

Company Reports

St. Lawrence Flour

Revenues of St. Lawrence Flour Mills Co. for the fiscal year ended Aug. 31, 1941, showed a slight increase over the preceding year. After deduction of prior charges, including an increase in income and excess profits taxes from $92,000 to $108,000, net profit was equivalent to $2.52 a share on the common stock, as against $2.55 a share a year ago.

Consolidated balance sheet shows a gain in net working capital which stood at $684,412 at the end of last month, compared with $595,241 a year ago. Cash on hand declined sharply, while inventory at $630,283 compares with $347,304 a year ago. Holdings of bonds and other investments increased from $140,000 to $331,000. Liabilities feature a bank overdraft of $142,482 and a bank loan of $198,000, against none a year ago.

Income and Surplus Account Years Ended Aug. 31

	1941 $	1940 $
Gross income	314,869	301,439
Less: Directors' fees	5,900	5,000
Exec. salaries	39,750	41,750
Legal fees	228	395
Depreciation	30,000	30,000
Tax provision	108,000	92,000
Net profit	130,992	132,294
Pfd. dividends	40,250	40,250
Com. dividends	54,000	54,000
Surplus	36,742	38,044
Previous surplus*	529,970	478,541
Loss on bond sale	94	.....
Reserve E. P. tax	16,000	.....
Surplus forward	550,618	515,748

*Adjusted.

Working Capital

	$	$
Current assets	1,146,624	742,603
Current liabilities	462,212	147,362
Working capital	684,412	595,241

Newfoundland Sells Less Salt Codfish

Exports of salt codfish in Newfoundland during August totalled 55,613 qtls. This contrasts with 87,132 qtls. for the like month last year.

For the July-August period this year exports amounted to 88,019 qtls., as against 150,098 qtls. for the like period last year.

Week in Wheat

Market Marks Time Until Outlook Clears

Not Certain Yet How Much Grain Will be Used for Livestock Feeding—Southern Hemisphere Crops Entering Picture

From Our Own Correspondent

WINNIPEG—The Canadian wheat market continues its attitude of watchful waiting with both trading and price changes small. No great change is anticipated until two situations clear.

First and most important will be developments in the feed situation. It is still uncertain just what quantities of coarse grains and wheat will be used for livestock feeding this winter in eastern and western Canada and there remains some confusion regarding the final feed policy Ottawa is to adopt.

Second factor leading to wheat uncertainty are the crops now maturing in the southern hemisphere, especially the Argentine. Because of distance from consuming markets and the need for conserving war shipping, the Australian harvest is regarded as of less immediate importance.

Conservative Feed Policy?

Appointment of Fred Presant of Toronto Elevators as feed controller this week will be generally interpreted as indicating a conservative feed policy on the part of the Dominion authorities. Last winter considerable confusion was caused and some hardship to the regular trade when a policy of limited freight bonuses on shipments of feed grain from the West was adopted. With an experienced commercial feed man as controller presumably Ottawa should be well advised in any final steps taken regarding the feed situation this winter.

* * *

Eastern Requirements

Some confusion seems to have existed in western Canada regarding the probable feed requirements of eastern farmers and especially those engaged in dairying and hog raising. Droughts in eastern Canada were given considerable prominence. Apparently the impression was created that the farming country of Ontario and Quebec was blasted on a scale comparable with western conditions of a few years ago.

The fact that early pasture, some extra early hay and most of the late crops escaped summer dry weather was overlooked. The corn crop, a major item in eastern agriculture, came through with little damage and this development also seems to have been overlooked.

It is generally believed that eastern farmers will still be in the market for a great deal of feed and much more than usual if present profitable hog prices are maintained. But their buying may not develop in volume until December or later as they will naturally use up their own home-grown supplies of feed first.

* * *

Feed and Wheat

Amount of livestock feed used in Canada, of course, has a most important bearing on wheat. Wheat and coarse grains are directly competitive, price of both rising and falling together. Moreover, to a fairly substantial extent, wheat can be used directly for feeding livestock, especially poultry and hogs. The importance of such diversion is stressed in the current letter of Jas. Richardson & Sons this week. It states:

"It is worth pointing out that feeding of wheat is causing an appreciable reduction in total Canadian supplies even though these are still unprecedentedly large. Put in concrete terms, the 16 million bushels of wheat fed to livestock in 1940-41 over and above what had been fed in the previous year is equivalent to the amount of wheat and flour exported by Canada to Belgium and Holland in the year immediately preceding the outbreak of war."

* * *

Southern Prospects

Current prospects for the Argentine crop are described, in the latest review from Ottawa, as "quite favorable." There has been some drought and some late spring frost. Acreage of 17.7 millions shows only a slight increase from a year ago. First estimates of production—harvesting gets under way in December—are substantially below last year's exceptionally high total of 271 million bushels. Not more than 225 millions is expected this season.

Australia's wheat acreage of 12.1 millions is down slightly from a year ago. Moisture conditions have been irregular with serious drought in parts of New South Wales. However, unless there are new developments between now and harvest something in the neighborhood of 150 million bushels is expected or 70 millions better than the drought-hit crop of last year.

* * *

European Crops

On the basis of recent information the United States Department of Agriculture has made a revised estimate of the 1941 European wheat production amounting to 1,430 million bushels, which is 30 millions less than anticipated earlier in the season.

A delayed growing season resulting from rainy weather has resulted in some loss of yield per acre, but mainly in a loss of quality accompanied by high moisture content. The total European harvest, excluding Soviet Russia, is about 8% larger than last year's abnormally low harvest of 1,325 million bushels, but is still 6% under the average production of 1,516 million bushels during the five-year period, 1930-1934.

The United States Department of Agriculture further reports that: "As far as individual countries and regions are concerned, the principal gains over last year are expected in western Europe, notably France, the British Isles, and Portugal, with some small increases in central Europe and the Danube Basin. The outturn in French North Africa is reported to be considerably above last year's poor crop and should permit some exports. Prospects in Turkey and Greece, on the other hand, are reported less favorable than a year ago."

Nfld. Reports Record Income

Revenue Exceeds Expenditure by $755,900 in August,

Income of the Newfoundland Commission of Government rose to unprecedented heights for August. In comparison with August last year revenue was up $609,588 to $1.6 million. Customs revenue provided $1.2 million of the month's total and was $484,614 higher than August last year.

Expenditure during the month totalled $799,210, representing a decrease of $77,986 from the same month last year.

Result of increased revenue and lower expenditure was to increase surplus for the month to $755,900 from a surplus of $68,326 in Aug., 1940.

In the first two months of the year, which began July 1, the Commission of Government showed revenue of $2.8 millions, an increase of $876,616 over the corresponding period of the preceding year. Expenditure during the two months amounted to $1.8 million, a decrease of $125,160 from the comparable period of the previous year.

Surplus for the two months this year amounted to more than $1 million, compared with $38,232 in the period last year.

Revenue and Expenditure August

	1941 $	1940 $
Revenue:		
Customs	1,243,861	759,247
Post & telegraph	78,266	61,110
Assessor of taxes	119,591	49,394
Natural resources	37,948	7,715
Other	75,444	68,056
Total	1,555,110	945,522
Expenditure:		
General	799,210	877,142
Debt charges	......	54
Total	799,210	877,196
Surplus	755,900	68,326

Four Months Ended Aug. 31

	1941 $	1940 $
Revenue:		
Customs	2,227,805	1,499,239
Post & telegraph	145,957	114,274
Assessor of taxes	230,784	129,687
Natural resources	47,519	19,147
Other	149,743	162,842
Total	2,801,805	1,925,189
Expenditure:		
General	1,762,797	1,886,903
Debt charges	......	54
Total	1,762,797	1,886,937
Surplus	1,039,008	38,232

Commodity Prices Move Uncertainly

Expectation of Widespread Controls Have Unsettling Effect

Expectation of a general system of controls on prices in both Canada and the United States has brought considerable irregularity into the commodity markets recently. Price changes have largely reflected varying sentiment of the stringency of these controls. Of the four indices of spot commodity prices, two are higher and two lower. Dow Jones index of future prices was up slightly.

Cotton prices showed a slightly firmer tone recently as it was reported the U. S. government would subsidize certain exports, might raise the parity price and that a substantial acreage might be diverted from growing cotton to producing foodstuffs.

	Latest week	Previous week	Same week last yr.
Cattle	$9.50	$9.50	$8.35
Hogs	14.65	14.65	12.15
Copper, lb.	.12	12	.12
Cotton, lb.	.1723	.1798	.0991
Sugar, raw, lb.	.0365	.0360	.0275
Wheat, Man. (bu.)	.73½	.72½	.71¼
Coffee, lb.	.09⅜	.09⅜	.05
Hides	.15	●15	.12½
Weekly Indices			
Canada (D.B.S.)	92.7	92.4	83.1
Do., Wood, Gundy	74.2	74.5	65.6
U. S. Labor	91.5	91.6	77.7
Dow Jones (future)	81.96	81.90	53.23
Fishers	98.7	98.5	82.1
Monthly Indices			
Canada (D.B.S.):			
Retail (Aug.)*	113.7	111.9	105.9
W'sale (July)	91.1	90.0	82.6
U. S. (July)	88.8	87.1	77.7
Gt. Brit. (July)	153.2	152.4	139.7

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f. New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

Winnipeg Electric Line to Steep Rock

Winnipeg Electric Co. will install a power line from Kenora to Fort Frances, and thence to Steep Rock, in order to furnish electric power to Steep Rock mining property at Titikokan, about 143 miles west of Ft. William. Survey of the line already is under way.

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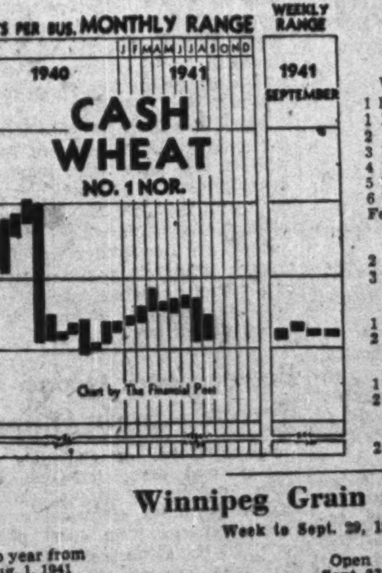
Wheat Prices



Cash Quotations

	For Week Sept. 29 High	For Week Sept. 29 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.73½	.72	.72½	.72
1 Nor.	.73⅛	.72	.72½	.72
2 Nor.	.70¾	.69⅝	.70	.69⅛
3 Nor.	.68⅝	.66	.67⅞	.67⅛
4 Nor.	.67⅜	.65⅜	.66⅝	.66⅛
5 Wheat	.66⅛	.64⅛	.65⅛	.64½
6 Wheat	.65⅛	.63⅝	.64⅛	.63½
Feed	.59⅝	.58⅛	.58⅛	.57⅜
Oats:				
2 C. W.	.50⅜	.46⅞	.48⅝	.46⅛
3 C. W.	.48⅜	.44⅞	.46⅞	.44⅜
Barley:				
1 Feed	.56¼	.51⅞	.51⅞	.50⅜
2 Feed	.56	.51⅝	.51⅝	.50⅛
Flax:				
1 C. W.	1.60	1.54¾	1.61⅛	1.53⅛
2 C. W.	1.54½	1.50¼	1.57	1.49
Rye:				
2 C. W.	.63¾	.62⅛	.64⅛	.61⅛

Winnipeg Grain Futures

Week to Sept. 29, 1941

Crop year from Aug. 1, 1941 High	Low		Open Sept. 23	High for week	Low for week	Close Sept. 29	Close year ago
		Wheat					
.76⅛	.72⅛	Oct.	.72⅜	.73¾	.72⅛	.73⅝	.71¼
.78⅛	.73⅜	Dec.	.73⅞	.75⅛	.73⅜	.74⅝	.73
.82¼	.77¾	May	.78	.79⅛	.77⅝	.78⅝	.77⅛
		Oats					
.50⅝	.37¾	Oct.	.44⅝	.49½	.44⅝	.48½	.30⅛
.48½	.35⅛	Dec.	.42⅞	.47⅜	.42¾	.46⅝	.28⅝
.47⅞	.38⅛	May	.41¾	.46¼	.41¾	.46¼	.29⅜
		Barley					
.61⅜	.47⅞	Oct.	.54¾	.60⅜	.54⅝	.60¼	.38⅜
.60⅜	.46¼	Dec.	.54⅞	.59⅛	.54⅞	.58⅞	.38⅞
.60⅛	.49⅝	May	.54¾	.59	.54¾	.58⅝	.40⅛
		Flax					
1.64	1.40¼	Oct.	1.53	1.61	1.53	1.56¼	1.18
1.63	1.40⅛	Dec.	1.52	1.59¾	1.52	1.56	1.17⅛
1.64½	1.46	May	1.51	1.55⅛	1.51	1.53¾	1.18
		Rye					
.65⅛	.53⅜	Oct.	.61⅜	.63⅜	.61⅜	.62¼	.44⅝
.66	.53⅜	Dec.	.61¼	.63⅜	.60½	.62⅛	.46⅛
.67⅝	.51¾	May	.62¾	.65¼	.62⅛	.64⅛	.48½

Week in Mining

New Base Metal Mines Are Expected Soon

Steep Rock and Quebec Manitou Plans Both Believed in Advanced Stage With Announcement on Each Likely in Near Future

It is now expected that important plans will be announced for two Canadian base metal properties in the near future—Steep Rock Iron Mines and Quebec Manitou Mines.

Both these properties have substantial indicated reserves and it is believed that plans in each case envisage the carrying of work right through to the production stage.

At the Northwestern Ontario district session of the Ontario Municipal Electric Association in Fort William, last week, T. C. James of the Ontario Hydro-Electric Power Commission stated work had started preparatory to furnishing electric power to the Steep Rock property at Atikokan, 143 miles west of Fort William. Winnipeg Electric is to carry a line through from Kenora and a survey has been started. Steep Rock is expected to be Canada's large-scale producer of high grade iron ore, Mr. James stated. The proposed Steep Rock deal had not yet been signed at mid-week, however, The Post is informed.

Quebec Manitou Picture

A large tonnage of gold-zinc ore has been known to exist at Quebec Manitou Mines for some time but it took the present metal shortage to stir interest in this property again. When final details are ironed out, it is expected that two Toronto brokerage houses—Draper Dobie & Co. and Milner Ross & Co.—will carry out major bond financing, reported at from $400,000 to $750,000 to allow the operation to proceed to production.

St. Joseph Lead Co. had an option on the Quebec Manitou property for a considerable time and their work is stated to have comfirmed a previous ore estimate of 252,000 tons averaging 11.2% zinc, 0.085 oz. gold per ton, 3.69 oz. silver, 0.7% lead and 0.21% copper. Altogether 2,500 ft. of lateral work and 12,500 ft. of diamond drilling have been carried out. Details on new financing are expected very shortly.

* * *

U. S. Ups Copper Price

Signs are not lacking that Washington has finally decided that it will have to pay more to secure the tremendous additional supplies of copper required for its war programme.

Last week the price being paid for copper from Chilean mines was advanced from 10 to 11¼ cents a pound in United States funds. The new price is equivalent to 12.375 cents a pound in Canadian funds and represents a substantially higher price than is being received by Canadian producers on their contracts with the United Kingdom. Even this price, however, is low compared with the deal that is reported approved in Washington for certain Michigan mines.

According to Representative Frank Hook, in Washington, a government purchase price of 15 cents a pound U. S. funds is assured for copper mines in northern Michigan and neighboring areas, providing mine operators and labor representatives are able to reach a wage agreement.

* * *

Marginal Mines Affected?

Representative Hook said that the assurance of a 15-cent price was given after a series of conferences with price administration officials and spokesmen for mine operators and laborers.

While no indication is given in the Washington dispatch, it appears that the 15 cents a pound price will apply to certain marginal mines that can increase output granted a higher metal price. There has been no change in the basic American price of 12 cents a pound United States funds.

Recent estimates put the increase in copper production that can be secured in the United States by bonusing marginal mines at a very low figure. It does not appear that marginal supplies can come close to meeting requirements. Chile will likely prove a much more fertile source of additional copper but even there, new supplies cannot come close to needs.

* * *

Canada in Yet?

If the United States continues its policy of paying more to secure additional supplies, it seems that Canada may yet benefit. The United States has more than once taken metal into the United States over tariff barriers and as the price the government is willing to pay gradually grows higher, the greater is the likelihood Canadian mines may be asked to increase their capacity and output.

International Nickel Co. appears to be one Canadian company that might benefit by such a situation. The company must supply a large fixed quantity of copper to the United Kingdom under its contract completed at the outbreak of war. A few months ago, however, a $30 millions expansion programme was announced and output of copper as well as nickel is expected to be boosted greatly. Extra copper production conceivably may be sold to advantage in the United States after Canadian domestic requirements are satisfied. Normetal is expanding productive capacity and might similarly benefit. Hudson Bay Mining and Smelting Co. has increased its copper productive capacity since the outbreak of war and might possibly participate in tapping the United States market.

* * *

Western Conclave

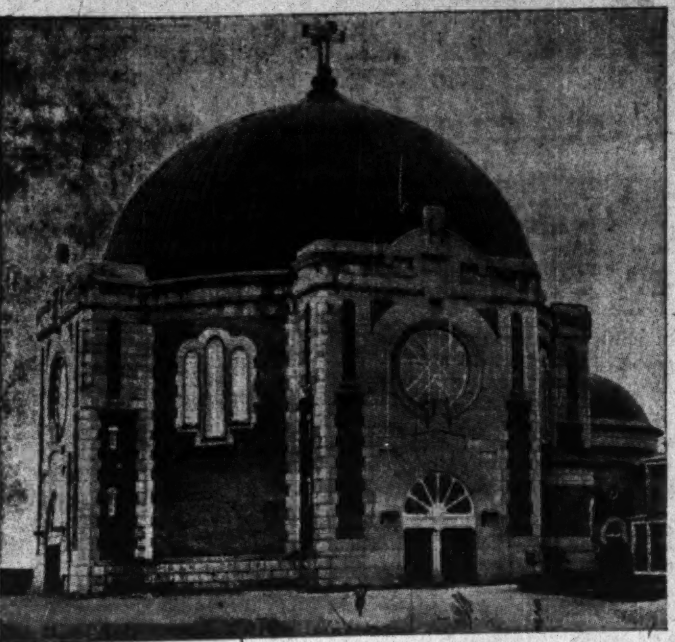
Western Canada mining men will soon be gathering in Vancouver for the annual convention of the British Columbia division, Canadian Institute of Mining and Metallurgy, scheduled for Oct. 8, 9 and 10.

A variety of subjects will be covered by speakers at the convention which will be attended by the Canadian Institute president, Professor Wilbert G. McBride of McGill University.

One of the most interesting subjects will be that on the recovery of tin from tailings of the Sullivan mine, to be reviewed by H. R. Banks.

Oil possibilities of northeastern British Columbia will be discussed by M. Y. Williams, who has been acting for the B. C. government in its oil quest. Joseph S. Irwin, Alberta geologist, will also speak on oil possibilities of the prairie provinces. Other speakers will include Dr. T. A. Rickard, F. M. Little (director of the Wartime Bureau of Technical Personnel), J. P. Caulfield and E. Bachman.

Copper Dome Over Copper Mine?



While digging a drain for the Cathedral at Amos, Quebec, workers came across a copper vein which was staked on behalf of the Roman Catholic church. Since staking of the showing, it has become known as the "Cathedral mine."

Arrangements have now been completed for a programme of exploration under the direction of the Norman Vincent interests of Toronto, it is stated. It is anticipated that diamond drilling will be undertaken shortly to determine the mine-making possibilities of the vein.

Prepare Inside Shaft At Central Patricia

To Go Below 2,050-ft. Level Even Though Only One Level so Far Being Mined Below 1,450-ft. Horizon—Operating Profits Increase

From Our Own Correspondent

CENTRAL PATRICIA.—Although the 2,050-ft. level is the only level so far being mined below its 1,450-ft. horizon, Central Patricia Gold Mines is proceeding with preparations for sinking a new internal shaft from the 2,050-ft. level to open up four new levels at 2,200, 2,350, 2,500 and 2,650 ft. depth. Sinking is expected to start early in November with work completed about next March.

Decision to sink the new internal shaft is in line with the company's policy of keeping development well ahead of milling requirements. As a larger tonnage of ore is being milled now, the management feels it wise to maintain its long-established policy.

Encounter "F" Ore Bodies

While preparations have been under way for sinking the new shaft, development in other sections of the mine has been on a somewhat restricted scale. However, after driving 1,000 ft. to the west at the 1,600-ft. level, drifting has been in ore for the last four rounds, indicating the depth continuity of the "F" ore bodies as opened up on the 1,000 and 1,300-ft. levels. Car sampling of ore from the face of the drift has given values of 0.4 oz. per ton and better.

At the 1,000-ft. level, the "F" ore bodies occur in three lenses over a total ore extension of 215 ft. and widths of 8 to 18 ft. Grade runs from 0.4 to 0.45 oz. gold per ton with 250 tons of ore to the vertical foot indicated. Lateral development on the 1,300-ft. level to date has disclosed some recession in tonnage which may be due to faulting at this horizon. A raise has been put up in ore from the 1,300 to the 1,000-ft. horizon. Ore bodies are to be mined through from the 1,300-ft. level with a sub-level to be established at 1,150 ft.

To Open "D" and "E" Zones

Drifting east on the 1,600 1,750-ft. levels is now approaching the area in which the downward extension of the "D" and "E" ore structure is expected. Further drifting is to be done to the east at the 2,050-ft. level as there is evidence of flattening of the general rake to the east. The new shaft at the 2,050-ft. level will be located 1,100 ft. east and 300 ft. north of the main shaft. On rake and dip of ore bodies, less crosscutting will be required than on the upper levels.

Complete Raising at Depth

Stoping operations are now proceeding on the "B" and "C" ore bodies at the 2,050-ft. levels. This is the only place where mining is being done below the 1,450-ft. level at the present time. Drift development has been completed on the main ore bodies at the 1,600, 1,750 and 1,900-ft. level, however, with raises driven from the 2,050 to the 1,450-ft. level.

On Jan. 1, 1941, ore reserves were estimated at 400,000 tons of 0.41 oz. grade down to the 2,050-ft. level. Tonnage taken from below the 1,000-ft. level has so far been relatively limited. The tonnage extracted is more than offset by the tonnage remaining to be mined above the 1,000-ft. level. New ore bodies disclosed to the west on the 1,000-ft. level are of important significance as to grade and tonnage at depth.

Production Helps Earnings

In spite of higher taxation, earnings have been slightly more than maintained in 1941 through increased production. Net profit for 1940 was $659,099 equal to 26.4 cents a share, while in the first half of this year, estimated net profit was $345,063 equal to 13.8 cents a share. The increased production of the first half of 1941 is expected to be at least maintained in the second half of the year. The milling rate has now been increased to approximately 400 tons daily from the average of 385 tons daily treated in the second quarter and the 377 tons daily treated in the first quarter.

Mining Enquiries

Perron Gold

Please outline for me the present ore position of Perron Gold Mines. Can you give any possible explanation for the low price of the company's stock in relation to the rate of earnings?

Development results at Perron Gold Mines since the end of 1940 suggest that the company's ore position has been maintained at approximately 1½ years' milling requirements, after allowance for the sorting out of a third of the material mined as waste. Earnings for 1940 were equal to 28.2 cents a share, and earnings on ore in reserve should be at close to this rate, although higher taxes might lower the margin of profit somewhat.

Exploration at depth has been revealing a rapid shortening of the ore length in the main No. 32 vein, but this is being offset, at least in part, by favorable developments in other directions. A new vein system known as the No. 12 has been opened up on the 1,025-ft. level for a length of 300 ft., averaging 0.40 oz. across 3.5 ft., while 325 ft. of the same grade has been opened up on the level below with a 50-ft. extension east to the south boundary. Favorable structural indications in diamond drilling in the south west area will result in the carrying out of exploration in that direction on the upper levels.

Consolidated Smelters

In view of the repatriation of a large block of Consolidated Smelters, I would appreciate a review of the company's operations and results secured in recent years.

As owner of the largest lead-zinc mine in the world, Consolidated Mining and Smelting Co. of Canada not only holds an outstanding position among base metal producers of Canada, but among those, in the world at large. The company's great lead output has been a prime factor in supplying all the lead that can be used in the United Kingdom with a margin of lead production left over for Consolidated Smelters to market in the United States. Zinc has become perhaps the scarcest of the non-ferrous metals since the outbreak of war, and Consolidated Smelters has been increasing its output to assist the war effort. Besides producing lead and zinc, however, Consolidated Smelters turns out antimony, cadmium, bismuth, gold, copper, fertilizer, mercury and sulphur. The range of products is being continuously increased.

Most of the company's production of base metals is at present being marketed in the United Kingdom at the rather lower than normal prices existing just prior to the outbreak of war. As the company increases its output, however, there is the possibility of marketing any increase in production in the United States through the Metals Reserve Co. In fact, a large quantity of lead has already been sold in the United States and a steady flow there seems indicated. Sales of lead to the United States started in 1941 and might possibly be reflected in higher profits than in 1940 when earnings were equal to $2.77 a share compared with $2.85 a share in 1939. Earnings for 1940 would have shown an increase over 1939 except for the steep increase in taxation which is being felt by Consolidated Smelters along with other companies.

After the war it seems difficult to see just what industries and securities will fare best. It seems likely that lead and zinc will continue in demand over the long period and Consolidated Smelters as one of the lowest cost producers of base metals should be able to retain its position although some maladjustment may be faced when the war is first over.

Known ore reserves at Sullivan mine are sufficient for 20 years' operations and undoubtedly development will place considerable further ore in sight beyond that included in present reserves. Working capital position of the company has shown considerable improvement in recent years. At the end of 1938 working capital was only $6.9 millions, but at the end of 1940, this had been increased to $13.7 millions.

Federal Kirkland

What chance has Federal Kirkland Mining Co. of being successful? I have held this issue for many years but haven't seen any news on it recently.

Federal Kirkland Mining Company has two irons in the fire that might eventually turn out to be profitable.

The first is the company's property in the Kirkland Lake area which has been leased to Toburn Gold Mines for 50 years with Federal Kirkland to receive 22½% of any profits realized from operation. Toburn has done some work from its own workings and may carry out further exploration on a lower level in an attempt to locate a commercial ore body.

Besides this, Federal Kirkland has shared in the financing of Brock Gold Mines, and held 450,000 shares in that company late in 1940. Another shareholding was 88,000 shares of Delnite Mines. Issued capital of Federal Kirkland Mining Company is now 2,540,508 shares.

Shinintree

Are shares of Shinintree Gold Mines worth anything at the present time? We have been unable to learn anything about the company's affairs for some time and don't know if the company is even in existence any more.

Toronto brokers inform us that there has been no market on shares of Shinintree Gold Mines for some time. The company still retains its property of 126 acres in the West Shining Tree area, Sudbury district, Ontario, but no work has been done for several years.

Little capital is forthcoming for opening up a mining prospect at this time, and officials apparently have not been able to arrange for further work. You might be able to get some further information from the company's secretary, W. B. McPherson, 171 Yonge Street, Toronto, Ont.

Magnesium Chances Intrigue Manitoba's Mining Men

From Our Own Correspondent

WINNIPEG.—A shipment of 2,000 pounds of manganese dioxide has been shipped from Manitoba to the Freeport plant of the Burgess Battery Co. and indications are that further shipments of this important war mineral may be made.

Presence of manganese in the foothills of the Riding mountains was established in the fall of 1940. It created a furore for a short time and a considerable amount of staking was done for a time. C. C. Heubach, with a small group of Winnipeg men, put two prospectors in the field, and after about a month's work they discovered and opened up showings which have been proved to contain dioxide of manganese. In addition, indications of the rock formation carrying low-grade manganese has been discovered in nodule form through roads, in the hills and embedded in the shattered shales and clays.

Other Discoveries Reported

Investigations are also proceeding on the formation, apparently found higher up in the mountains, discoveries of which have been made as far west as the Porcupine hills. While this is low grade, it is believed it could be treated, concentrated and made available for steel making.

There has been no public financing to date. R. J. Jowsey of Toronto who is associated with magnesium developments in Quebec, has assisted recently in the Manitoba development of manganese.

Plans are now under way for extensive prospecting and systematic exploration is being carried out so that the necessary field work may be continued next spring.

N. A. Goldfields To Buy Dredge

Successful First Year Brings Decision on Second Unit

From Our Own Correspondent

VANCOUVER.—North American Goldfields, Ltd., has decided to install a second dredge on the Fraser River near Quesnel as a result of the successful operation of its first dredge there this year.

The company's initial 90-ton dredge, representing an investment of $100,000, will be duplicated, according to Glenville A. Collins, California engineer who with two other American capitalists controls North American Goldfields.

Values 25-30 Cents a Yard

The present dredge is handling 3,000 yards of gravel each 24 hours with gold recovery averaging 25 to 30 cents per cubic yard.

As a result of special concessions granted by the Canadian government it is expected that many more big dragline dredges will be brought into British Columbia during the coming winter and next spring from California, Idaho and Oregon.

Power Corp. Group Record Gain in Output

Power Corp. of Canada's subsidiary and associated companies report output in August at 215.9 million kw.h. of electrical energy. This compares with 193.9 million kw.h. for the same month last year. With the exception of the East Kootenay Power Co., all units reported a larger output than a year ago.

Comparative figures on such companies for August, 1941, and 1940 follow:

(In Kilowatt Hours)

	August 1941	August 1940
Southern Canada ..	18,780,810	16,891,000
Canada Northern ..	63,152,154	60,347,000
East Kootenay	9,996,314	10,024,000
B. C. Power	53,694,773	51,017,000
Northern B. C. Pwr.	1,352,744	1,268,000
Winnipeg Electric ..	68,960,300	54,445,000
	215,937,095	193,992,000

Week In Oils

New Crude Record

From Our Own Correspondent

CALGARY.—Alberta's crude oil and natural gasoline production for September is going to set a new all-time high record, a survey by The Financial Post indicated at the month end.

The survey, based on reported production for the first three weeks of September and authoritative estimates on recovery during the final week of the month, indicates that Alberta production averaged around 28,150 bbls. per day—compared with a daily average of 27,609 bbls. in August, 27,545 bbls. in July, and 26,686 bbls. in June.

Estimated daily September output from Turner Valley's limestone oil wells, gas wells and shallow wells is placed at 27,200 bbls., with Turner Valley absorption gasoline and crude oil from other fields making up the balance of 950 bbls. per day.

* * *

New Wells the Reason

The big increase in September is accounted for by the far heavier than anticipated output of half a dozen Turner Valley "completions." The Turner Valley allowable—for oilwells, gaswells, shallow wells and anticipated completion recovery—was 26,000 bbls. in September. Actual daily yield in the first week of September was, however, 26,578 bbls., rose to 26,801 bbls. the second week, and to 27,857 bbls. per day the third week. Output during the final week of September was believed to be close to the output in the third week.

Wells responsible for the extra Turner Valley output included three new big north extension producers (Miracle Royalties 1, Ace Royalties 1 and Major Oil Investments 2); a new big south extension producer (Northwest H. B. 6); and three recently completed wells on the central west flank (Renown Royalties 1, Argus Royalties 2, and Royalite 59).

* * *

Speeds Up Exploration

Standard Oil Co. of British Columbia last week re-organized its directorate and announces enlarging the scope of its search for new oilfields in Canada.

Outstanding in the directorate changes was the selection of Lloyd N. Hamilton, long prominent in Standard Oil operations in many parts of the world, as the new president. Appointed as vice-president in charge of exploration and production was John Galloway, who has been in charge of these operations in Alberta and Saskatchewan since their commencement in 1938.

Standard announces that:

1. "In line with Canada's need for crude oil especially in these critical times when the conservation of foreign exchange is so important, this company has expended very substantial amounts in exploratory work in parts of Alberta and Saskatchewan. It is anticipated, however, that this exploratory work will not be limited to these provinces, and added impetus will be given to exploration as the result in the change of management of the company."

* * *

To Drill Dina Field

The Omega Syndicate of Toronto is reported to have completed plans for the drilling this fall of the first two of a projected 10-well programme in the Dina field, on the central Alberta plains south of Lloydminster and east of Wainwright. The wells are to be drilled with light rotary equipment. Exact locations, however, have not yet been reported.

The Dina field has had two small wells on production for several years, the oil being sold to a small local refinery. Production from these two wells—Dina Nos. 1 & 4—was 1,593 bbls. in June and 801 bbls. in July. August yield has not yet been reported. The Omega operations are to be directed by C. E. Mills, who completed the two present Dina wells and several of the ventures in the Lloydminster area.

* * *

Grease Creek Rigs Up

Though operations have been delayed in recent days by poor road and weather conditions, the foundations and derrick at the Northwest-Grease Creek No. 2 well on the Grease Creek structure have now been completed, and rigging up of heavy duty rotary is now under way. The new Foothills prospect test is expected to spud within a few days.

The two wells now being drilled in the Princess field are going to be carried deeper for a test of the Devonian limestone. The Standard of B. C.-McDougall Segur test, which topped the Madison limestone at 3,300 ft., is now drilling close to the Devonian contact below 3,755 ft. The Anaconda-Patricia No. 1 well was making certain changes to the equipment on Friday and was scheduled to resume drilling Saturday. The well is bottomed at 3,348 ft. The Madison limestone was topped at 3,290 ft.

M. P. Statement Brings to Fore Athabaska Tar Sand Question

John R. MacNicol, Toronto Davenport M.P., has recently delivered his opinion that the Dominion government has been lax in not developing oil possibilities of the Athabaska tar sands, within Alberta.

He cited the crying need for gasoline as ample justification for undertaking the immediate development along with a 300-mile pipe line. "A pipe line to Edmonton would be a comparatively inexpensive undertaking and entirely feasible and practical," Mr. MacNicol contended.

The Athabaska tar sands may or may not be the "vast storehouse of natural wealth that can be valued in multiple billions of dollars," as Mr. MacNicol suggests, but among well-informed sources The Financial Post finds Mr. MacNicol's optimism is received with some qualification.

Two Companies Operating

Two companies have so far investigated the possibilities of Athabaska's tar sands—Abasand Oils and International Bitumen Co.

Abasand Oils is now producing on a small scale with a refinery close to Waterways, Alberta, and some details of its operations and the possibilities of Athabaska tar sands are available through statements of its president, Max W. Ball.

Mr. Ball stated some time ago that a commercial and feasible process has been developed for the recovery of oil from Athabaska tar sands. It is more in the nature of an open-cut mining, and mining separation, process than orthodox types of recovery for oil but, according to Mr. Ball, it works.

It is claimed that a recovery of better than 99.6% of the oil present can be secured by the "hot water" separation process now in use. Mr. Ball says the company anticipates that most of its present output will be marketed in the north where the company has a heavy freight rate advantage over Turner Valley products.

The present Abasand plant has a capacity of 350 bbls. per day which is not large as oil plants go. Its operations on the basis of the northern market, however, are on a commercial basis, from what Mr. Ball states.

Development of an oil supply in Athabaska by government would introduce a wide range of undesirable possibilities, it is asserted and would not be a cure-all for the oil problem which is one of transport rather than supply.

Might Not Be in Time

Whether, under any auspices these oil resources could be developed rapidly enough to provide a complete or substantial contribution to the Dominion's total oil needs, hence making a major contribution to the foreign exchange problem is one on which The Financial Post's informants expressed serious doubt.

Mr. MacNicol wants a pipe line from the Athabaska River to Edmonton, a distance of 300 miles. This is not as inexpensive an item as Mr. MacNicol suggests. There is no major crude oil market in Edmonton and getting the oil to eastern Canada would remain a vital problem.

Mr. Ball holds the fourth question—feasibility of rail transportation southward—can be answered in the affirmative. His company has laid out future plans for an $8 millions programme for an oil production plant, a pipe line to Waterways and a 10,000 bbls. a day refinery at Edmonton, transporting oil by rail. Here is what he has to say as to a plan of this type:

"As to refining cost, it is safe to say that, if Abasand crude can be laid down in Edmonton at the price the company's engineers believe possible, the cost per gallon of 76-78 octane Abasand gasoline at Edmonton would be competitive with the Calgary cost of Turner Valley gasoline, and that the by-products would have a value at least equal to those from Turner Valley."

The prairie market could undoubtedly absorb an additional 10,000 bbls. a day of oil, the amount Mr. Ball hopes to bring to Alberta at a later date.

So far, in the small Abasand refinery it has not been practical to install the high-pressure equipment necessary to give the high yields of high-octane gasoline. Nevertheless the present plant will give a maximum yield of gasoline of 29% with an octane rating in the neighborhood of 60.

The Athabaska tar sands appear to be a great potential asset for the future though full development may take time.

Dominion Mines Branch authorities estimate the sands to contain 100 billion barrels of oil, the U. S. Bureau of Mines placing the figure at 250 billion barrels. Proved reserves of the world's oil fields, on the other hand, are estimated at only 24½ billion barrels.

Uchi Operating Profits Show Trend Upward

From Our Own Correspondent

UCHI LAKE.—Operating profits have shown a steady increase from $28,389 in January to a high of $42,912 in August at Uchi Gold Mines and totalled $258,463 for the first eight months of the current year.

Operating expenditures do not take into account expenditures on shaft sinking which have involved an expense of $10,000 monthly since last June but which are expected to be over in October.

Tonnage Exceeds Estimates

Stoping operations in recent months have shown a considerable tonnage of ore in excess of that previously estimated. Broken ore reserves have been maintained during the period at 65,000 tons. More selective mining has resulted in an upward trend in grade with consequent increase in operating profits. Average recovery has increased from $5.41 per ton in January to $6.03 in August while operating costs have dropped from $3.62 to $3.54 a ton in the same period.

Drifting To South

In the main mine, exploratory development has been on a restricted scale. The 800-ft. level has been advanced 1,100 ft. to the south of the shaft with one section of 100 ft. indicated as of economic grade. Drifting will be continued 400 ft. to get under two surface showings that were commercial in character. Horizontal diamond drilling will be done to the west to investigate depth possibilities of favorable surface outcrops.

Much of development now under way is at the No. 5 shaft which is being deepened from the 250-ft. level for the opening up of further levels at 400, 550 and 700 ft. Crosscuts of 100 to 150 ft. will be required to reach the narrow 6,000-ft. long "Tapeworm" vein, which is to be fully opened up at depth.

The Tapeworm vein averages 12 to 24 inches in width and car samples from a raise put up on it averaged $7.54 per ton with gold at $35 with the vein showing an average width of 18 inches. Stope development is expected to be sufficiently far advanced on this vein by early in 1942 to provide 250 to 300 tons of ore daily for trucking to the Uchi mill at a cost of 30 cents a ton.

See Profit Margin

While the narrow vein will involve high mining costs the management anticipates a profitable basis on a grade of 0.22 oz. gold to the mill. Frequency of high grade sections in drift advance may favorably affect grade of ore milled from this vein, it is felt.

Operations have now been discontinued at the Hanalda shaft. Stoping is to be continued at the Jalda shaft for another three months or longer dependent on further exploration disclosures.

The increase in operating profits recently has allowed an improvement in the working capital position after taking care of both bond interest and the cost of sinking No. 5 shaft.

Privateer in Ore In Deep Raise

While the general tendency has been toward a lower grade of ore at depth at Privateer Mine, raising from the 1,200 to the 1,100-ft. level has recently opened up some exceptionally high grade ore in what is known as the 1205 raise.

Free gold, both fine and coarse, is stated to have been "extremely abundant" in this raise. A total of 57 pounds of ore was specially run through the assay office crusher and amalgam barrel returning 96 ounces of gold with a value of $3,700. The section in which this raise is being driven had not previously been included in ore reserves.

Crosscut Out 230 Feet

Driving of the 600 level crosscut to get under the Prident workings has located a new vein beyond the major fault against which the Privateer No. 1 and No. 2 veins terminate. The crosscut has been advanced 230 ft. out of a total calculated length of 1,180 ft. Progress of better than 10 feet per day is being made and it is hoped to complete the crosscut by the end of the year. The new vein located is stated to be in a strong break with plenty of mineralization. It was not of ore grade where cut but will undoubtedly warrant exploration at a later date, the company reports.

Results of Prident

In the Prident sector, operations have been stepped up by placing work on a two-shift basis. The 407 stope has now been opened up for a length of approximately 100 ft. with the most 18-ft. cut averaging 2.8 oz. across 1.01 ft. As this ore is being taken out by cut and fill methods, it gives a very high grade mill feed with the last 128 tons trammed to the mill averaging 2.10 oz. gold to the ton.

On the 500-ft. level, the first ore shoot drifted on at the 400-ft. level has now been opened up for approximately 150 ft. Results so far are stated to have been better than those on the 400-ft. level. A third level to be known as the 600-ft. level has now been started.

August Sets Peak

Production for August was a new high for the year at $87,012 from 2,624 tons of ore milled, taking gold at $35 an ounce.

Coal Bunkering Hits Profits

From Our Own Correspondent

VANCOUVER.—Operating profit of Canadian Collieries (Dunsmuir) Ltd., was $216,393 during the year ended June 30, 1941, compared with $231,327 in 1940, the decline being due to the sharp reduction in coal bunkering operations at Vancouver Island mines due to diversion of deep sea shipping to other routes.

About $100,000 of last year's profit was derived from the pillars in the Northfield mine during the last ten months of abandonment. After depreciation at $175,295 (the previous year's charge was $173,252) and other usual charges, the final net earnings were sufficient to permit payment of 2% on the outstanding "A" debenture stock, the same rate that has been paid for several years.

No depletion has been provided. Net earnings available for interest and sinking fund on "A" and "B" income debentures stock were $33,882 last year; $35,639 a year ago.

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Pickle Boosts Mill Rate as North Zone Responds

Profits Prove Lower For First Half But Improvement Now in the Making

While work on two new deep levels at Pickle Crow Gold Mines—at 2,200 and 2,450 ft. depth—has so far failed to show a return of exceptionally rich upper level ore, the mine situation, taken as a whole, is reasonably satisfactory. Further development of the new north zone—or north mine—reveals an increasing importance for this new area while a higher milling rate is expected to prove the answer to the drop in grade at the Pickle Crow mine proper.

Lateral work on the 2,200 and 2,450-ft. levels of the main mine has revealed structure typical of the upper levels with high erratic assay returns. While ore grade is lower as on other levels below 1,250 ft., there is no proof that ore grade may not at some time come in richer further along in drifting or lower down.

390 Feet of Ore At 2,200

On the 2,200-ft. level, 390 ft. of drifting has so far been completed in ore with the last 200 ft. to the east in banded iron formation averaging 0.25 oz. over something better than 5 ft. The vein structure in the iron formation shows heavy mineralization and strong fracturing with improving trend in grade to the west.

Typical structure is also showing on the 2,450-ft. level with the same lower ore grade. The east face at this level is close to the banded iron formation which, on dip, may be on the north flank. Structural possibilities may thus be improved as the vein passes through the iron formation to the east.

Turning to the new north zone, the most striking development in this area is confirmation of ore values in the zone to a depth of 1,300 ft. with an east-west length of at least 450 ft. Four new depth holes have been completed recently on the west section of this zone, adding to the depth ore information reported previously in The Post.

The latest drilling has been carried out from a station at a point in the 750-ft. level approximately 600 ft. north of the drift in which the main ore shoot in the north area has been exposed. An 80 degree hole to the east cut 12 inches running $81.20 at 610 ft. depth below the level. Another hole to the east showed $9.10 over 17 inches at 385 ft. depth and $21.70 across 16 inches at 395 ft. depth.

A third hole at 80 degrees to the southwest returned $45.15 over 22 inches at 450 ft. below the level. At 80 degrees and to the south, 22 inches ran $120.05 at 290 ft. and at 350 ft., 93 inches graded $14.35 per ton. Values given in drilling are uncut and are very similar to those secured in surface drilling, results of which first led to opening of this zone at the 750-ft. level.

Drifting in the No. 649 or north zone ore body at the 750-ft. level shows 760 ft. of ore with grade running 0.4 oz. gold or better across an average width of 8 ft. Taking down backs of the drifts in preparation of stopes the last two months on the 416 ft. at the west end of this length has shown a distinct improvement in grade.

Mucks Run High

Returns for 1,680 cars of ore from the westerly 110 ft. showed an average of 0.92 oz. or $32.20 per ton. The next 306 ft. to the east gave an average of 0.38 or $13.30 per ton from returns for 1,763 cars. The average for 3,443 cars along 416 ft. was 0.65 oz. or $22.75 per ton.

Frequent occurrence of free gold is believed to be part of the answer to why car sampling has been giving so much better results than face sampling. Amalgamation recovery in the mill circuit bears this out.

So far the north ore zone has only been opened up on the one level at 750 ft. depth, but diamond drilling has shown vertical continuity to at least 1,300 ft. If the grade of ore for the zone as a whole should measure up to the $22.75 average for the 416 ft. of backs on the 750-ft. level, the north zone could go far to replace the main vein as a source of high grade ore.

While the 760-ft. length shown so far for the north zone is only a fraction of the ore length in the main vein, its width is two to three times as great and the tonnage of ore per vertical foot may not be so far from that of the original Howell zone.

Milling Increased

Satisfactory results in the north zone and disclosure of ore at depth in the main vein—even if of lower grade—has led to two new steps in the company's programme. The first was the decision to increase the tonnage of ore milled which became a possibility with an increase in the supply of power available. Production and operating profits ran somewhat lower in the first half of 1941 than the average for 1940. But an upward trend in both production and profits is expected in the second half of the year with the larger tonnage now being put through the mill.

To open up the north zone on further levels, it was decided to sink a new internal shaft. After driving out 500 ft. to the northwest, a hoisting station is being cut with shaft sinking expected to be under way before the end of the year.

The east drift heading at the 750-ft. level is now within 250 ft. of the Winoga boundary. It is to be continued onward into the Winoga and Albany River ground and consideration will be given next year to sinking a new east shaft to connect with the north ore body workings. This would permit more extensive exploration to the east.

North Ore Greater

While the No. 649 ore body has been opened for a 760-ft. ore length the potential ore area to the north is much greater. The porphyry mass in which the ore body lies has been indicated for a length of 4,000 ft. and over widths varying from 400 to 700 ft. Of the east-west length of this zone, 2,000 ft. lies on the Pickle Crow ground with the balance eastwards on the Winoga and Albany River claims controlled by Pickle Crow.

In spite of the ore milled, a total of 2½ years' ore remains in the Howell vein above the 1,950-ft. level. Much more medium grade ore has been indicated below the 1,950-ft. horizon. In the north zone, ore reserves cannot yet be estimated because lateral work so far has only been completed on the 750-ft. level. But opening up of a few additional levels could add to reserves very substantially.

With stopes now being prepared at the 750-ft. level and the large quantity of ore in the old workings, there is no problem of keeping the mill supplied with ore.

Results in 1941

During 1940, production amounted to $2,844,432 with operating profit of $1,903,932. After taxes and write-offs, net profit of $1,284,587 or 42.8 cents a share was reported. In the first half of this year $1,369,460 was recovered from 84,000 tons of ore and operating profit was $887,416. Taxes are higher but earnings for the year are expected to be close to dividend requirements with the trend of production turning up the rest of the year.

The higher tonnage of ore being milled is also reducing unit operating costs. In the first half of 1941 operating costs were $6.88 a ton but this was reduced to $5.97 a ton before taxes in July. The lowering of operating costs will serve to increase the margin of profit to be realized from treatment of lower grade ore from the lower levels of the Howell vein.

Prospects to North

Indications suggest that the northern area is the best place for Pickle Crow to search for new ore bodies. The main mine has been essentially a one-vein operation, unlike the northern area where drilling has given numerous intersections.

Lateral work in the northern area some time ago returned a length of 190 ft. averaging $6.30 cut grade across an average width of 100 inches parallel to the main ore shoot. A drill hole put out just lately to the south from the east end of the drift which has opened up the No. 649 ore body, cut 18.5 ft. of quartz stringer zone averaging $4.90 per ton with a section of 36 inches running $22.95 grade. This intersection is something entirely new, lying in the greenstone formation 200 ft. south of the porphyry in which development is at present being concentrated.

A hole is now to be drilled 150 ft. to the west to see if an extension can be secured on the new showing. Drilling to the west previously gave some evidence of parallel ore structure in the greenstone formation underlying the porphyry.

The extension of the north porphyry ore zone on to the Albany River-Winoga sector appears to be of particular potential importance due to the ore showings opened up previously by Albany River. Work was suspended at the Albany River property as it seemed more simple to carry out exploration from the Pickle Crow workings.

Under the agreement by which Pickle Crow took over the Albany River-Winoga property in 1938, 56% of the stock was given to Pickle Crow, which agreed to supply all money required free from interest, repayable out of production.

To the end of 1940, $181,262 had been advanced to Albany River and a little more was advanced in 1941 before work was suspended. With work to be continued eastward, the Albany River ground will get a new testing and the new shaft to be considered in the north sector to the east would likely be one on Albany River-Winoga ground.

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Drilling at 275 and 375-ft. Levels Picks Up New Ore Bodies

A net profit of $282,480 equal to 9.5 cents a share was realized by Cochenour Willans Gold Mines in the fiscal year ended May 31, 1941, the company's first full year of production. In the preceding five months earnings were 3.4 cents a share.

After distributing 6 cents a share in dividends and acquiring control of Kelson Red Lake Gold Mines whose property adjoins, the company was able to increase working capital by almost $100,000 to $322,010. Purchase of Kelson Red Lake shares involved $65,434.

Erects Small Smelter

High costs of transportation and smelter charges in connection with marketing concentrates resulted in erection of a small experimental smelter to treat the company's concentrates. While it is too early to state whether this treatment will be successful, results are stated to be most encouraging. Marketing of concentrates cost $69,457 for the year.

Diamond drilling on the 275 and 375-ft. levels is stated to have indicated new ore bodies comparable with any previously developed in width, length and value. These ore bodies are stated to be located in a new area 400 ft. northeast of the shaft extending the potential ore area to a length of 1,200 ft. and a width of 1,000 ft.

According to John A. Reid, who recently made an examination of the mine, there is about three years' probable ore supply with probabilities of increasing it considered to be good.

Income and Surplus Account

	Year May 31 ended 1941	5 Mos. May 31 ended 1940
	$	$
Bullion production ...	897,823	305,745
Less: Marketing	8,780	3,823
Net production	889,043	301,922
Less: Development ...	102,569	31,035
Mining	143,244	58,830
Milling	97,312	37,618
Concs. marketing ..	69,457	
General mine exp. .	20,771	9,083
Exec. off. expense..	14,416	7,602
Directors' fees	5,000	2,083
Operat. profit	436,274	155,671
Add: Interest earned..	2,258	......
Total net earnings	438,532	155,671
Less: Depreciation ...	54,699	19,077
Development w/o ..	42,933	17,890
Taxes	58,420	19,458
Net profit	282,480	99,246
Less: Dividends	176,199	......
Surplus for year	106,281	99,246
Add: Prev. surplus ..	108,120	8,874
Surplus forward	214,400	108,120
Earnings per Share & Dividend Record:		
Earned	$0.095	$0.034
Paid	0.06	nil
No. of Shs. Outstand.	2,961,655	2,911,655
Working Capital		
	$	$
Current assets	445,694	288,693
Current liabilities	123,684	61,087
Working capital	322,010	227,606

Mining Concentrates

Birch Bay Gold Mines is offering shareholders rights on the basis of one new share at five cents for each 17 shares held at Sept. 30. Rights expire Oct. 13. If any of 100,346 shares offered are not taken up by shareholders, they will be sold or disposed of by directors. Funds derived from the offering of rights are to be used for diamond drilling. Trenching and test-pitting on the Gates Lake claims owned jointly with Goldale Mines has been in progress since May and additional funds are required to carry out the proposed drilling campaign.

* * *

Croscourt Gold Mines optioned 1,689,995 shares to Lincoln Securities Corp. as follows: 100,000 shares at 5 cents a share payable by Sept. 22; 290,000 shares at 7½ cents a share payable by Nov. 22; 299,995 shares at 10 cents a share payable by Jan. 22, 1942; 200,000 shares at 15 cents per share payable by Mar. 22, 1942, with balance at 17½ to 25 cents per share payable by Nov. 22, 1942. Authorized capital is three million shares with 1,310,005 issued.

* * *

Golden Arrow Mines completed an agreement on July 25 under which St. Clair Couzens agreed to purchase 7,150 shares at 7 cents per share and was granted an option on 392,850 shares as follows: 92,850 shares at 7 cents per share; 100,000 share blocks at 10, 12½ and 15 cents per share payable $1,000 monthly from Sept. 1 to Dec. 1, 1941 and thereafter $4,000 monthly until paid. Authorized capital is 3 million shares with 1,080,025 issued.

* * *

Goldacres Mining Corp. optioned 500,000 shares to H. W. Waters on Sept. 15 as follows: blocks of 100,000 shares each at 5, 7, 8, 9 and 10 cents per share payable within 300 days. Authorized capital is three million shares with 1,050,000 issued.

* * *

Kerr-Addison Gold Mines has declared a dividend of five cents a share payable Oct. 28, 1941, to shareholders of record Oct. 7. A similar dividend was paid on Aug. 28, 1941.

* * *

Mace Gold Mines is having its property explored from the underground working of Hollinger Consolidated which is putting up the money for this work but nothing conclusive has been located so far. Hollinger has carried out exploration into the Mace ground on the 1,700, 2,750 and 3,350-ft. levels.

* * *

Mascot Malartic Mines optioned 1 million shares to James Esto on Sept. 12 as follows: 500,000 shares at 5 cents per share payable in 90 days; blocks of 100,000 shares each at 7½ and 10 cents per share payable in 160 days. Authorized capital is 3 million shares with 1,000,005 issued.

* * *

Nipissing Mines Co. has declared a dividend of 15 cents a share subject to approval of the Foreign Exchange Control Board, payable Dec. 11, 1941, to shareholders of record Nov. 15. Ex-dividend date on the Toronto Stock Exchange is Nov. 13. This is the same amount that was paid in each of the three previous fiscal years.

* * *

Nabco Manganese Mining Co. completed an agreement on Sept. 3 by which 5,000 shares were optioned to G. F. Coburn at $2 per share payable within 30 days. Authorized capital is 100,000 $1 par shares with 70,724 shares issued.

* * *

New Malartic Gold Mines optioned 1,440,000 shares to Federal Trading & Agency Co. in September as follows: 500,000 shares at 6 cents per share payable by Jan. 2, 1942; 100,000 shares at 12½ cents per share payable by Feb. 1, 1942; 100,000 shares at 15 cents per share payable by Mar. 1, 1942, with balance at 17½ cents to $1 per share payable 100,000 shares monthly for four months until July 1, 1942, with balance payable by Jan. 2, 1943. Authorized capital is 3 million shares with 1,019,525 shares issued.

* * *

Robb-Montbray Mines shares have been removed from trading on the Toronto Stock Exchange due to failure in supplying shareholders with a report at least once a year containing a balance and profit and loss or revenue and expenditure account.

Sullivan Consolidated Mines estimated ore reserves at Sept. 1, 1941, totalled 539,150 tons with an average grade of $11.25 a ton as against 407,542 tons of $11.20 grade at Mar. 8, 1941. Increase in ore reserves for this period amounted to 131,608 tons with an increase in value of slightly over $1.5 million. This increase was largely accounted for by developments on the block of new levels between 650 and 1,150 ft., now only partially developed. Meanwhile the shaft is being deepened to the 1,350-ft. level, making available two further levels for exploration and development. Operating costs have moved up to $6.50 a ton, it is reported. As the larger mill capacity goes into effect, however, it is possible that costs may be reduced by the greater tonnage milled.

* * *

Springer Sturgeon Gold Mines sold 50,000 shares to Dickson Jolliffe & Co. and Milner Ross & Co. on Sept. 5, payable within 30 days and received an option on a further 50,000 shares at 30 cents per share payable by Dec. 4, 1941. Authorized capital is 3 million shares with 1,875,005 issued. A total of $100,000 6% three-year sinking fund redeemable notes have also been issued.

Jason Finishes Shaft Sinking

Main Shaft Deepened From 400 to 500 Ft. and No. 2 Winze to 700 Ft.

Completion of shaft sinking at Jason Mines is now expected to make available for mining an additional 280 ft. of slope depth of vein at each shaft, E. M. Thomson, president reports. The main or No. 1 shaft was sunk from 400 to 500 ft. following extension of the winze from 600 to 700 ft. at No. 2 shaft some time ago.

Drifting north on the 500-ft. level of No. 2 shaft has disclosed ore beyond the previous limit while the 700-ft. level was also advanced in ore in the same direction. Results show no change in either grade or width as compared with results during previous development of the 500-ft. level. A north rake to the ore is now noted, considered to be a favorable condition.

To Cut Sublevel

Crosscutting from the No. 1 shaft to the No. 1 vein is now in progress and will be followed by putting up a raise for a sublevel between the 5th and 4th levels. After this work is done, lateral exploration will be carried out at both horizons.

Diamond drilling completed from surface last winter determined ore persistence in both shaft areas to a vertical depth of 800 ft. (1,500 ft. on the incline), the most important intersection being one of $25.99 across 8 ft. 10 inches at approximately 570 ft. vertical in No. 1 vein.

Ore for production is being drawn from the 200, 500 and 600-ft. levels of No. 2 shaft and from the 200 and 400-ft. sublevels of No. 1 shaft.

Working capital stood at $133,212 at Aug. 31, 1941, after taking care of capital expenditures and obligations of $154,847 and payment of $59,980 in dividends.

New Officers, New Policies For Standard Oil of B. C.

From Our Own Correspondent

VANCOUVER. — Reorganization of the affairs of Standard Oil Co. of British Columbia of far-reaching significance has been effected with the appointment of a new slate of officers and the announcement that in future the company will take a more active interest in exploration and production of oil fields in Canada.

Standard of B. C. is a subsidiary of Standard of California, and chairman of the board is H. D. Collier of San Francisco. The new president is L. N. Hamilton and he will spend much of his time in Vancouver.

Swan E. Nord, formerly vice-president and general manager in charge of British Columbia operations for the past six years, has resigned.

Vice-presidents are R. D. Baker, Vancouver, in charge of sales, and John Galloway, Calgary, in charge of exploration and production; W. F. Bramstedt, Vancouver, in charge of manufacturing.

R. T. Wilson continues as secretary and treasurer; J. H. Lawson as legal counsel.

Lloyd Hamilton, stockily-built, hard-hitting oil executive who is a director of several companies affiliated with Standard Oil of California and associated with exploration and producing activities in Arabia, Bahrein, India, Egypt and the Netherlands East Indies, has made his headquarters in London for the past eight years, and his transfer to Canada is regarded as significant of the company's interest in expediting new production.

The changes do not signify Standard's intention to drop out of the distribution field, however, and facilities to increase the supply of crude oil from California are now being increased.

"We have spent considerable sums in exploratory and drilling activities in Alberta and parts of Saskatchewan," Mr. Hamilton told The Financial Post. "Our exploratory activity will not be limited to those provinces and we intend to give added impetus to this field of operation. The Steveville area, where we have been drilling, is already established as a gas field. We continue to press our search for oil relentlessly."

Two years ago Standard was near an operating agreement with Home Oil Co., but negotiations collapsed when Home directors failed to reach agreement on the terms.

Anglo-Huronian Net Rises 50%

Break-up Value of Stock Also Jumps to $5.25 a Share at July 31

Highlights of the annual report of Anglo-Huronian for the fiscal year ended July 31, 1941, are as follows:

A 50% increase in net profits with earnings equal to 18 cents a share compared with 12 cents the previous year, after all charges.

A sharp increase in market value of investments—investment portfolio shows an appreciation over cost of $371,625 in market value against a market value $2,321,453 under cost the preceding year.

"Break-up value" of $5.25 a share on July 31, 1941, compared with $3.47 a share a year earlier. Of the $5.25 a share, $4.99 was in cash and securities at market.

As in previous years, no details of shareholdings in other companies are given but substantial interests are stated to be held in Kerr-Addison Gold Mines, Lamaque Gold Mines, Sigma Mines (Quebec) and Yukon Consolidated Gold Corp., all of which are producing and paying dividends.

Besides these interests are held in Mace Gold Mines, Vicour Gold Mines, Laguerre Gold Mines, Pascalis Gold Mines, Musketeer Mines, Prospectors Airways and Montclerg Mines. The Mace property is being explored by Hollinger from its workings; finances are being provided for Vicour along with Inspiration and Consolidated Smelters; a shaft is going down at Laguerre Gold Mines; and underground work is proceeding at Pascalis. A small 25-ton mill is being erected at Musketeer and a new programme of exploration is to be financed at Montclerg following recent drawing up of a new agreement.

Income and Surplus Account
Years Ended July 31

	1941	1940
	$	$
Dividends earned	321,068	222,667
Int. & exchange	46,487	69,225
Sundry revenue	2,102	......
Total revenue	369,657	291,892
Less: Gen. expense ..	79,769	81,132
Expenditures w/o ..	10,126	43,367
Supplies w/o	2,000	......
Bad debt w/o	......	108
Depreciation	851	851
Net operat. profit	276,911	166,436
Less: Loss on secs. ...	3,477	29,677
Reserve for taxes ..	3,277	13,743
Net profit	270,157	182,370
Less: Dividends	300,000	......
Surplus for year	*29,843	182,370
Add: Prev. surplus ..	2,207,721	2,023,221
Prof. on equip.	......	2,130
Surplus forward	2,177,878	2,207,721
*Deficit.		
Earnings per Share & Dividend Record:		
Earned	$0.18	$0.12
Paid	0.20	nil
No. of Shs. Outstand.	1,500,000	1,500,000
Working Capital		
Current assets	7,206,009	7,310,012
Current liabilities	51,856	58,974
Working capital*	7,164,153	7,251,038

*Taking securities at market value, working capital was $7,535,778 in 1941 and $4,929,384 in 1940.

War Minerals In Nova Scotia

TUNGSTEN occurs as the mineral scheelite, in quartz veins of the gold bearing series.

MANGANESE of high quality is found at several points in the Province. There are also many occurrences of bog manganese.

ANTIMONY ore containing gold was worked at West Gore during 1914-1918 and shipped to England.

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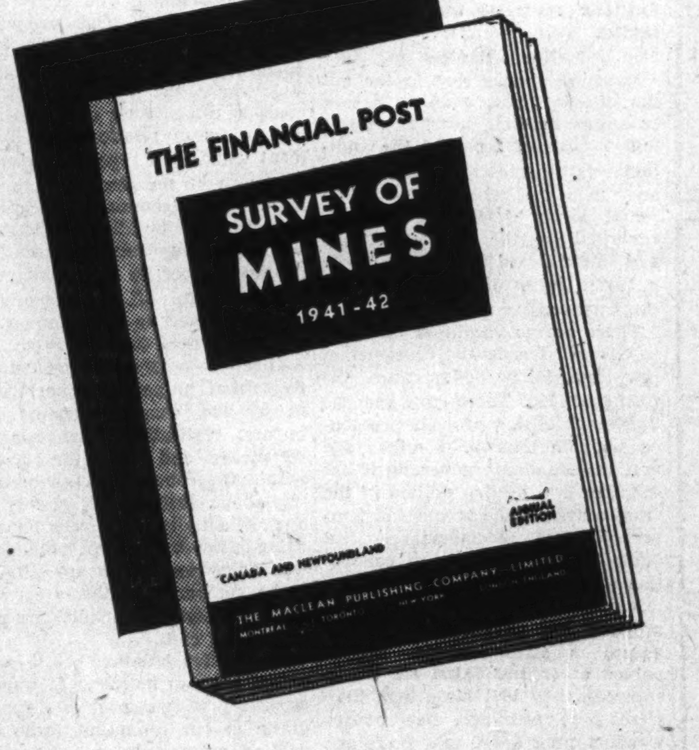

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Realty Experts Report on Communities

Increasing Shortage Common to Most Replies in The Financial Post's Survey

Herewith The Financial Post presents further reports received from real estate authorities across Canada on what two years of war have done to the position of the Canadian householder.

For their importance to particular localities, and their interest for comparison with other centres, The Post herewith makes its second publication of special reports dealing with conditions in individual areas. Common to most of the surveys is the increasing shortage of housing accommodation, the relatively small amount of private building for renting, and the general feeling that no matter how fairly it may be administered locally, rent control is based on unsound principles.

Windsor

The Windsor Real Estate Board summarizes conditions in one of the first cities to go under rent control.

Values of residential properties in the $3,000 class have risen approximately 10% since war began. There has been no change in the value of property in the $7,500 class and since there are practically no sales in the group of $18,000 and higher, no trend is evident in the value of this class of homes.

The only investment buying of real estate properties apparent is in apartments and multiple dwellings at sacrifice levels. While there has been considerable activity in real estate trade, most purchasers have bought to secure homes to live in, and not for investment. Better employment in war industries and the unreasonable and unfair pegging of rentals has stimulated the buying of residential properties for occupation by the new owner. There has been little or no building, consequently there are fewer houses to meet the rising demand.

As a result of the imposition of rent control on Oct. 1, 1940, with rents pegged at levels of Jan. 1, 1940, all rentals in the area have been frozen at the depressed level. Consequently rents have not reflected the fact that Windsor has had no vacancies to speak of for over a year.

In the City of Windsor itself, there has been practically no building of residential property with the exception of the Wartime Housing project which is constructing a total of 500 dwelling units. Outside the city there has been a considerable amount of building in the suburbs where rents were not pegged until May 1 of this year. Many of the small dwellings in outlying areas were built by the owners themselves.

Largely as a result of rent control, yields on real estate investments have only improved to the extent that occupancy is now 100%. They are still very low and unattractive in comparison with other investments. The city tax rates have been reduced from 41 mills in 1940 to 40 mills this year.

While this reduction in municipal taxes is favorable to the property owner, it is a smaller reduction than would be justified by the drop in relief charges of the city. The levy for direct relief in 1940 was 3.2589 mills, while in 1941 it had been cut to 1.2473 mills, a reduction twice as great as that which the property owners are finding in their tax bills.

In regard to rent control the Windsor Real Estate Board presented to the Hon. Mr. Justice W. M. Martin upon his first visit to Windsor, a brief conclusively showing that rent control is unwarranted and would be most unjust to property owners. Other extensive data was furnished at the same time. However, the government paid no heed to these facts and arbitrarily passed the order freezing rentals, which subsequently has acted as a boomerang contributing to the housing shortage of today.

* * *

Ottawa

A member of the Ottawa Real Estate Board describes conditions in Canada's capital.

For the first six or eight months following the outbreak of war the demand for residential property was substantially reduced in Ottawa. Since that time the demand has become much more active than previous to the outbreak of war. I would consider this demand about 50% greater than in 1939.

In Ottawa there are many thousands of additional employees on war work and this has created an acute shortage of housing accommodation. This housing shortage, together with the increase in labor and building material costs, is the principal factor that has caused hundreds of families to purchase homes instead of renting.

Inflation Not Considered

The possibility of inflation in Canada does not appear to have been given much consideration by the average purchaser of houses from $3,000 to $7,000. With the buyers of the higher priced homes, the possibility of inflation has no doubt been a factor which had considerable weight in their arriving at a decision to purchase. Ottawa is now under rent control and its effect has been about the same in all classes of rental accommodation.

I am of the opinion that some form of rent control was necessary in all cities or towns where the population was greatly increased by additional employees on war work or war industries. Tenants were entitled to a fair measure of protection against excessive rents charged by the limited number of greedy property owners. However it is my opinion that the rent control regulations are entirely too drastic, and have actually, in many cases, worked an injustice against landlords whose property rentals were on a basis that had been largely fixed at the low level of the depression period.

Needs Review

It would appear that in the not far distant future, due to higher labor and building costs, as well as higher costs of fuel and the additional earnings of the average tenant, that the whole question of rental levels should be carefully reviewed by the Wartime Prices and Trade Board in order to strike a fairer level of rentals by the property owners and tenants.

There are no vacancies whatever in Ottawa. Residential construction has been fairly active since the spring of 1940. There have been no Wartime Housing projects proceeded with in Ottawa. I might add that the Dominion government has spent several million dollars in the Ottawa area in the erection of temporary office accommodation and other building projects in connection with war work.

Insistent buying of residential property has advanced real estate values in all categories. Houses valued at around $3,000 are worth approximately 10% more than they were two years ago, new houses worth around $7,500 two years ago have shown a 10 to 12% increase and homes valued at $18,000 before the war would show a 15% increase if new, if old, possibly a 10% increase.

The investment return on real estate in Ottawa has shown a slight improvement since the outbreak of war, principally as a result of full occupancy. The Ottawa municipal tax rate was 39 mills in 1939 and 1940, but was reduced to 37 mills in 1941. This slight reduction in taxation does not begin to offset higher costs of maintenance in operation. Rent control in Ottawa is being fairly handled by a local committee consisting of a county judge as chairman and two other members. This committee has only very limited latitude owing to the rent control regulations which are generally unfair to property owners.

* * *

Calgary

N. H. Moody, manager, South Alberta Investment Department, The Canada Life Assurance Co. writes:

In making a real estate survey of the City of Calgary, one has to remember that it is situated in Alberta where a peculiar form of government has placed a decided restriction on the lending of money for the purposes of new building.

Prior to the war this condition also had its effect in making people hesitate to buy or sell property. However, legislation has been to a large extent overshadowed by the greater problem of the war and, apart from there still being no money available for housing loans, there has been considerable activity in real estate, particularly during the past eighteen months. High priced residences, however, are not in popular demand as they do not fit into the picture to any great extent in a city the size of Calgary.

Military Influx

Calgary has benefited commercially to a large extent by the establishment here of military and air force units, as well as other industries, and the housing situation became quite critical more than a year ago. This brought about pegging of rents as at Jan. 1, 1940, and this is already causing considerable complaint from the property owners. There are a number of small apartment houses which have been constructed and are being constructed where the rent peg does not apply, with the result that similar suites on opposite sides of the same street are renting in one case for $45 per month pegged, and in the other, $60 per month in new property where the peg does not apply. This, probably, will be a problem for study by the Rental Board in due time, but there is no announcement as yet.

With regard to the demand for residential property, the question of future inflation is very much discussed here and one finds many businessmen investing surplus funds in residential properties. Farm lands easily accessible from the city is also in demand. The type of property being purchased is, however, mostly older residential properties fairly close to the centre of the city which can be converted into suites. As an example I would mention two houses within ten minutes' walking distance of downtown which have been joined together by a central structure and made into a small apartment house. These were previously very ordinary seven roomed houses but by the application of stucco and the installation of modern plumbing, will doubtless make very attractive apartments. One must remember also that Calgary has natural gas which helps to make a living room attractive by merely building a false fireplace and installing a radiant heater and a small vent pipe.

It is most difficult to find a vacant residential property in Calgary. The impending transfer of the Western Command of the Air Force to Calgary is at the present time a problem of some magnitude for the Calgary Board of Trade and other organizations. Five hundred people will shortly arrive in Calgary, all of whom require somewhere to live.

* * *

Winnipeg

A Winnipeg trust company officer states:

There is an increasing demand for real estate for personal security and investment purposes in Winnipeg.

This demand is not necessarily centering in high class properties but in those properties which need modernizing for improved revenue and where the purchase can be made in this city for comparatively low prices in relation to replacement value. The type of properties meeting with the demand are apartment blocks, commercial property, the odd office building, such as the Winnipeg Piano Building, large residential properties for conversion into duplexes. All of these properties are picked up at bargain prices when compared to real value.

There is a greater demand for residential properties. Shortage of houses has changed tenants into buyers; realization that costs are advancing and a larger income within the community has brought this about. Enlistments, greater industrial activity, with some impetus being given by new payrolls from war industries, which are still not to be compared in this area with those in Eastern Canada, are providing the cash.

Prospective inflation has to some extent been an incentive to buyers, especially with respect to a special group in our community who are dealing extensively in real estate, particularly in downtown retail properties.

Properties formerly valued at $3,000 are now worth approximately $3,500. Properties in the higher brackets have changed very little as there is not as yet a demand for this type of house.

There has been an improvement in the proportion of cash paid on purchases. Mortgagors are gradually becoming better able to meet principal repayments and those who have made purchases in the last two years are meeting their principal more promptly than those who purchased earlier. Rental increases have been effective since May 1940 and up until the present time are approximately as follows:

Low cost dwellings renting at from $10 to $20, have increased approximately 10%.

Medium cost dwellings show a gain of approximately 5%, while there is no increase in the higher cost residential properties rental.

In the case of apartments, approximately 35% of the suites have shown an increase in rentals from 1 to 5%, with the balance remaining steady.

There are practically no vacancies—a marked improvement over three years ago and an improvement over two years ago is quite evident. The result has been a trend toward higher residential construction above normal conditions. This has not as yet had a material effect on rentals of other properties.

There is no rent control in this area and unless the situation gets out of hand, and it is not anticipated that it will, we do not think it should be applied. We do believe, however, that whether there is rent control or not, consideration should be given to rental increases. Other commodities have advanced quite sharply in this area and give every indication of further increase. It has now been announced that the cost of fuel will be increased this winter following a rise last year and in 1939. This, coupled with the increased cost of labor entering into repairs as well as the cost of material creates immediately a serious problem for property owners.

It should be understood that in Winnipeg rents reached a particularly low level during the depression, having been established at that level through the system of relief payments for rent being on the basis of the number in the family without any regard to the size of the house or the value of the property.

Yields from some real estate investment properties have improved slightly since the war began. Rentals for office premises have not been increased. It is difficult to compare the returns with investments in other fields when one has to take into consideration replacement and depreciation costs which may have to be carried. It is still difficult to find an investment in real estate that is comparable with investments in other fields. There is a percentage of vacancies in office buildings in this area and unless the demand quickens, rentals are likely to remain stationary and with increasing costs and possibly an increase in taxation the return is likely to decrease.

Steady and complete occupancy of apartment blocks has improved returns from this type of investment as compared with two years ago. In many cases the net return is no more than fair in relation to the amount of capital invested.

* * *

Brockville

Owen R. Davis, of Owen R. Davis & Co., insurance and real estate firm in Brockville, Ont. reports:

Owing to the establishment of an officers' training centre here rental conditions have not been normal and there is much overcrowding with one or two attempting to capitalize on the situation. Because of this we now have rent control.

There are almost no vacancies and very little residential building has been done in the recent past. Any building done has been individual and no housing projects have been embarked upon. The entire gain in property values has been concentrated in the lower brackets with gains of about 10 to 15%. Houses formerly valued at around $7,500 and up are practically unchanged.

It is difficult to say whether there has been any general increase in the investment return on real estate since the war started. A great deal depends on the individual case. Naturally where rents have been increased and no repairs have been made the situation is favorable. In cases where repairs are being encountered these are at a substantially higher cost than previously.

Investment yield would appear to be satisfactory as there has been a considerable amount of investment buying, principally in the cheaper class dwellings from $1,800 to $3,500. The demand springs from the general improvement in business, the current overcrowding and in part because real estate here is generally considered as a safety hedge in uncertain times.

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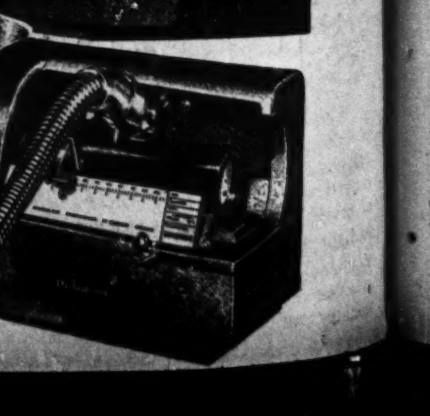

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